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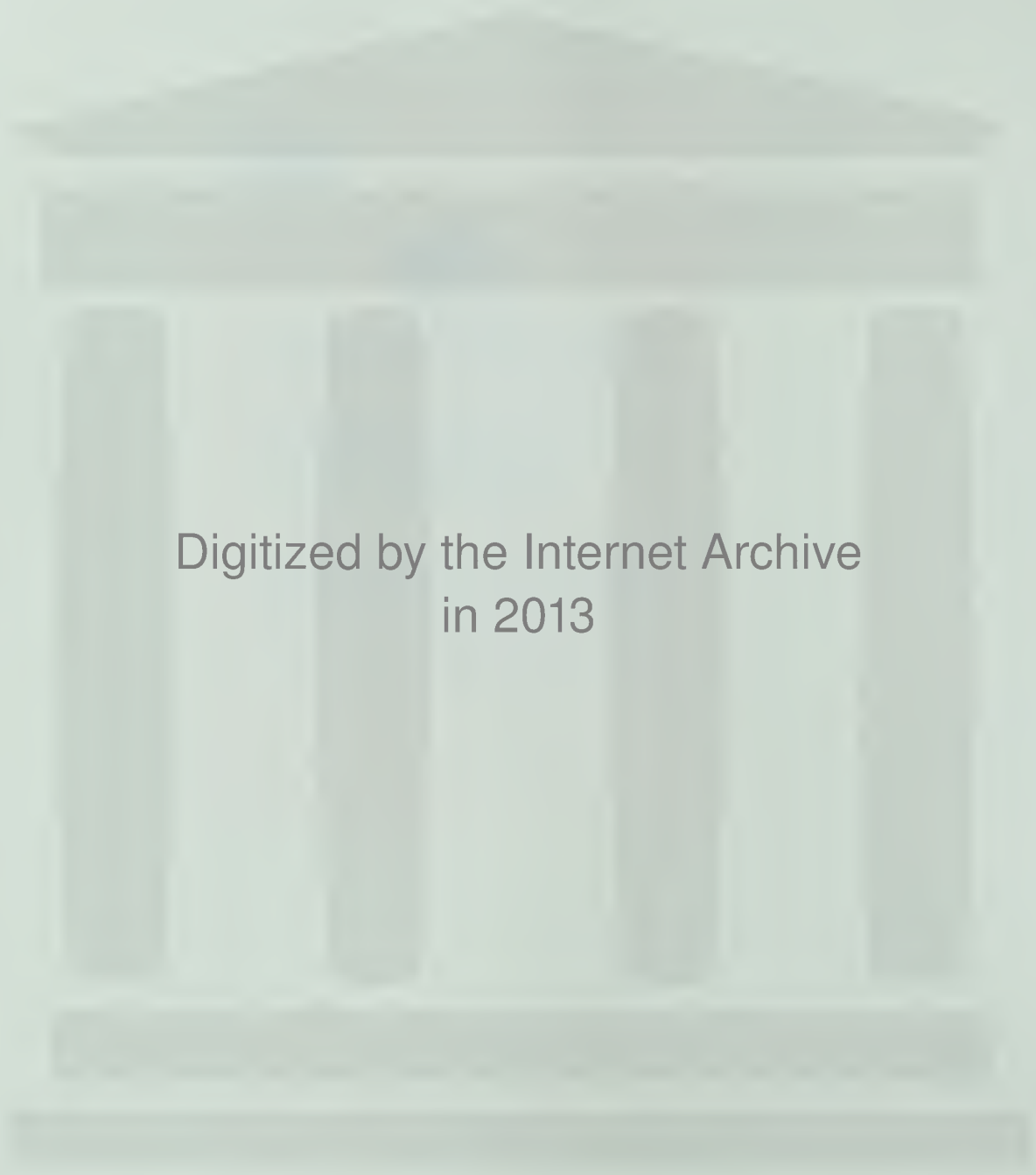
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SAN FRANCISCO HOUSING AUTHORITY
440 Turk Street • San Francisco CA • 94102 • (415) 554-1200

NOTICE

THE REGULARLY SCHEDULED MEETING OF THE
SAN FRANCISCO HOUSING AUTHORITY COMMISSION
WILL BE HELD ON THURSDAY, JULY 10, 2003 AT 4:00 P.M.
AT 440 TURK STREET, SAN FRANCISCO, CALIFORNIA, 94102

AGENDA
July 10, 2003

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1. ROLL CALL

   Sululagi Palega, Sr., President
   Julie Lee, Vice President
   George R. Brown, Commissioner
   Betty J. Smith, Commissioner
   Andrew J. Clark, Commissioner
   Neola Gans, Commissioner
   Rev. George Woodruff, Commissioner

2. APPROVAL OF AGENDA

3. APPROVAL OF MINUTES

   - June 26, 2003 Regular Commission Meeting

4. GENERAL COMMUNICATIONS

5. REPORT OF SECRETARY

   - Presentation Honoring the Accomplishments of Effie Robinson

6. COMMITTEE REPORTS

   Diversity Committee – Nothing to Report
   Finance Committee – Nothing to Report
   Personnel Committee – Nothing to Report

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7. REPORT OF AGENCY COUNSEL

8. TENANT REPRESENTATIVE REPORT:

City Wide Council - Senior/Disabled
Public Housing Tenants Association (PHTA)

9. PUBLIC COMMENTS ON AGENDA ITEMS: LIMITED TO 2 MINUTES

NOTE: *The public will have the opportunity to comment on agenda items prior to any action taken by the Commission pursuant to the San Francisco Housing Authority Rules Governing Public Testimony adopted 2/23/95 as Resolution No. 4423. Prior to adjournment, after Item No. 11, the public will have the opportunity to comment on items not on the agenda.*

10. UNFINISHED BUSINESS - None

11. NEW BUSINESS

(A) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A TWO-YEAR CONTRACT FOR UNLAWFUL DETAINER LEGAL SERVICES ON AN AS-NEEDED BASIS IN AN AMOUNT NOT-TO-EXCEED $200,000

12. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

13. COMMISSIONER'S COMMENT AND REPORT

14. CLOSED SESSION

A Closed session is scheduled with the Executive Director and Agency Counsel under Government Code Section 54956.9 (b)(1) to discuss pending litigation under Government Code Section 54956.9(a) (Williams vs. SFHA; SFHA vs HUD and USA vs SFHA).

15. RECONVENING OF COMMISSION MEETING

16. ADJOURNMENT

GREGG FORTNER, Secretary/Executive Director

A

SAN FRANCISCO HOUSING AUTHORITY
440 Turk Street • San Francisco CA • 94102 • (415) 554-1200

DATE: **July 10, 2003**

TO: **SAN FRANCISCO HOUSING AUTHORITY COMMISSIONERS**

Sululagi Palega, Sr., President
Julie Lee, Vice President
George R. Brown, Commissioner
Betty J. Smith, Commissioner
Andrew J. Clark, Commissioner
Neola Gans, Commissioner
George Woodruff, Commissioner

FROM: Gregg Fortner, Secretary/Executive Director

SUBJECT: RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A TWO-YEAR CONTRACT FOR UNLAWFUL DETAINER LEGAL SERVICES ON AN AS-NEEDED BASIS IN AN AMOUNT NOT-TO-EXCEED $200,000.

OVERVIEW

This resolution requests the Commission to authorize the Executive Director to enter into a two-year contract for legal services for unlawful detainer matters in an amount not to exceed $200,000. Services provided by selected counsel will include the preparation of pleadings, responding to discovery, and appearing in court on behalf of the SFHA.

Due to a large backlog of unlawful detainer cases and many new non-payment of rent and lease violation cases, the Authority has issued this Request for Proposals for unlawful detainer legal services, which closed on March 17, 2003.

The San Francisco Housing Authority (the "SFHA") previously entered into contracts with Arnold Evje (Eviction Assistance), dated January 6, 2002, and Thompson & Lawson, dated January 21, 2003, under which Arnold Evje and Thompson and Lawson provided unlawful detainer legal services to the SFHA in conjunction with the Public Housing and Section 8 Programs. On March 7, 2003, the Commission approved a resolution increasing the funds for legal services provided by Arnold Evje and Thompson and Lawson in an amount not to exceed $70,000. The additional funding was to cover continuing legal services with respect to unlawful detainer cases until a new contract for legal services could be executed.

PROCUREMENT

The procurement process for the action covered by this Resolution meets the procurement standards of 24 CFR 85.36 "Procurement", HUD Handbook 7460.8 REV 1, "Procurement Handbook for Public Housing Agencies and Indian Housing Authorities," the San Francisco Housing Authority Procurement Policy Manual and the State of California and local laws.

A solicitation for legal services was issued for qualified firms to submit proposals to the Authority for the provision of legal services for non-payment of rent and "for cause" cases. It was anticipated that multiple awards would be made to qualified counsel to represent the Authority in Unlawful Detainer matters.

The solicitation was issued February 6, 2003, with a proposed due date for Proposals of March 10, 2003. The solicitation was advertised in the following media:

- The Recorder
- The City Outreach
- San Francisco Purchasing Website
- San Francisco Housing Authority Website.

Also, the Request for Proposals was issued to eleven law firms and sole practitioners.

Four firms responsed to the solicitation. The firms that responded to the solicitation were:

- Eviction Assistance, San Francisco, CA
- Bornstein & Bornstein, San Francisco, CA
- Thompson & Lawson, Oakland, CA
- Charles Ramsey, Oakland, CA

The three-member Selection Review Panel were Authority employees—Property Manager, Legal Eviction Specialist, and Administrator--who have knowledge of and understand the need of the Authority for handling of such cases. The Panel evaluated the proposals using the following evaluation criteria.

• Past Experience and ability to prepare Unlawful Detainer pleadings to successful resolution	**25%**
• Quality of legal counsel and staff assigned to endeavor	**20%**
• MBE/WBE participation and Affirmative Action Practices	**5%**
• Fee Schedule	**50%**
TOTALS	**100%**

SELECTION: The following is the ranking of the firms by the Selection Review Panel based on the Evaluation Criteria.

Firms	Ranking
Thompson & Lawson	1
Eviction Assistance	2
Charles T. Ramsey	3
Bornstein & Bornstein	4

All firms were allowed to submit best and final offers for price competitivness. All "best and final" submissions by the firms were found to be equally competitive.

All four vendors met the Authority's criteria for unlawful detainer legal services, and the services will be performed on an as-needed basis. The four firms have been selected to represent the Authority on unlawful detainer cases. This will enable the Housing Authority to have flexibility in assigning cases based on the nature of the case and the availability of legal counsel.

Counsel will be assigned cases on the basis of performance, availability of counsel, nature of the case, and cost of services.

OBJECTIVE

The objective of this resolution is to obtain Commission approval for additional funding to provide uninterrupted legal services for unlawful detainer services. Legal actions have resulted in full rental payments, voluntary vacating of units, and stipulated settlements filed with the court, and as a result, fewer tenant evictions. In order to continue to address rent payment delinquencies and lease violations in a prompt and responsive manner, continued funding is necessary.

Specifically, legal services are needed to:

1. Prepare unlawful detainer pleadings for non-payment of rent and "for cause" violation of lease;
2. Prepare responses to discovery requests;
3. Appear in court on behalf of San Francisco Housing Authority on unlawful detainer matters;
4. Research and draft memorandum of Points and Authorities regarding unlawful detainer litigation;
5. Related tasks as assigned by the General Counsel

ANTICIPATED OUTCOMES

It is anticipated that continued unlawful detainer actions will result in increased rental revenues or the eviction of tenants who are not meeting rental obligations. The early filing of legal actions before rental deficiencies become substantial will more likely result in the payment of past due rent and a stipulated settlement agreement.

The Authority has received a significant increase in police reports relating to lease violations, with a total of seventy-one reports in March 2003; twenty-five in April 2003; thirty-two in May 2003; and thirty-eight in June 2003. Additional legal services are required to address this increase in reported crimes, which will result in a healthier and safer environment for the residents. In addition, the legal office has received 134 legal packages during the first six months of 2003 that have been referred for legal action.

WHO BENEFITS

The residents of SFHA development sites and the Housing Authority will benefit from the increased rent revenues, the removal of tenants who are responsible for criminal activity, and an improved community environment resulting from ongoing lease enforcement.

BUDGET CONSIDERATIONS

Funding has been budgeted from operating funds for this contract.

RESIDENT HIRING

Due to privacy issues surrounding information obtained in unlawful detainer matters, resident hiring may not be feasible. In addition, the firms are small and are only used on an as-needed basis, so the workload may not justify the hiring of additional staff. However, vendors indicated an interest in hiring residents.

MBE/WBE PARTICIPATION

Thompson & Lawson, Oakland, and Charles Ramsey, Oakland, are minortiy-owned businesses.

RECOMMENDATION

I recommend that the Board approve this resolution to increase funding for a two-year legal services contract for unlawful detainer matters with Eviction Assistance, San Francisco; Bornstein & Bornstein, San Francisco; Thompson & Lawson, Oakland, and Charles Ramsey, Oakland, in an amount not-to-exceed $200,000.

RESOLUTION NO. 5103

DATE ADOPTED 7/10/03

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A TWO-YEAR CONTRACT FOR UNLAWFUL DETAINER LEGAL SERVICES ON AN AS-NEEDED BASIS IN AN AMOUNT NOT-TO-EXCEED $200,000.

WHEREAS, the San Francisco Housing Authority (the "SFHA") wishes to retain legal counsel to provide legal services regarding unlawful detainer matters;

WHEREAS, it is essential that the SFHA continue its rent collection efforts and address lease violations through use of the legal processes;

WHEREAS, the SFHA's current legal office does not possess the necessary resources to provide ongoing unlawful detainer legal services;

WHEREAS, the Housing Authority solicited proposals from qualified firms to represent the Authority in providing legal services for non-payment of rent and "for cause" cases;

WHEREAS, a solicitation was issued to eleven law firms and sole practitioners, announcements of the solicitation were placed on the City's Purchasing website and the San Francisco Housing Authority website, and an advertisement was placed in the local area legal daily paper, The Recorder.

WHEREAS, four firms made oral presentations of their proposals to a three-member panel;

WHEREAS, a decision was made to split the award and give contracts to the four qualifying firms: Thompson & Lawson, Eviction Assistance, Charles Ramsey, and Bornstein and Bornstein to provide as-needed Unlawful Detainer legal services for the Authority;

WHEREAS, the estimated amount of these legal services are not to exceed the amount of Two Hundred Thousand Dollars ($200,000) for a two-year period.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO THAT:

1. The Executive Director is authorized to enter into a two-year contract for legal services for unlawful detainer matters to be provided by Thompson & Lawson, Eviction Assistance, Charles Ramsey, and Bornstein & Bornstein in an amount not-to-exceed $200,000 for "non payment of rent" and "for cause" cases.

2. This Resolution shall take effect immediately.

APPROVED AS TO FORM AND LEGALITY: REVIEWED BY:

Donna Martin
DONNA MARTIN, General Counsel

Date: 7-3-03

Gregg Fortner
GREGG FORTNER, Executive Director

Date: 7/3/03

RESOLUTION - ROUTING SLIP

FOR COMMISSION MEETING OF: July 10, 2003	
DATE Submitted to OGC: 7/02/03	FROM: Donna Martin

SUBJECT: **RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A TWO-YEAR CONTRACT FOR UNLAWFUL DETAINER LEGAL SERVICES ON AN AS-NEEDED BASIS IN AN AMOUNT NOT-TO-EXCEED $200,000**

APPROVALS

1. FINANCE

David Esparza, Administrator

Date 7-3-03

6. HOUSING DEVELOPMENT

Barbara Smith, Administrator

Date

2. BUDGET

Signature

Date 7-3-03

NTE $200,000 (over two year period)

Dollar Amount

100-413002-000000-510-000

Account No.

3. PROCUREMENT

Rene Latosa, Deputy Administrator, BASS

Date 7/3/03

7. OTHER

Date

4. ADMINISTRATIVE SERVICES

Michael Roetzer, BASS Administrator

Date 7.3.03

8. OFFICE OF GENERAL COUNSEL

Donna Martin, Managing Attorney

Date 7-3-03

5. EXECUTIVE OFFICE

Naja Boyd, Acting Deputy Executive Director

Date

9. EXECUTIVE OFFICE

Gregg Fortner, Executive Director

Date

HOUSING AUTHORITY
OF THE
CITY AND COUNTY OF SAN FRANCISCO

Minutes of Regular Meeting
Thursday, July 10, 2003

440 Turk Street
San Francisco, California

The Housing Authority of the City and County of San Francisco met in a regularly scheduled meeting at 440 Turk Street, San Francisco, California on Thursday, July 10, 2003, at 4:00 p.m.

Vice President Julie Lee called the meeting to order at 4:11 p.m.

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1. ROLL CALL

Roll call found the following members to be:

PRESENT: *Julie Lee, Vice President*
George R. Brown, Commissioner (arrived at 4:14pm)
Betty J. Smith, Commissioner
Andrew Clark, Commissioner
Neola Gans, Commissioner
Rev. George Woodruff, Commissioner

ABSENT: *Sululagi Palega, Sr., President (excused)*

ALSO PRESENT: *Mr. Gregg Fortner, Secretary/ Executive Director*
Donna Martin, Agency Counsel

2. APPROVAL OF AGENDA

Commissioner Woodruff moved to approve the agenda. Commissioner Smith seconded the motion. The motion to approve the agenda was unanimously passed.

3. APPROVAL OF MINUTES

Commissioner Clark moved to approve the minutes. Commissioner Gans seconded the motion. The motion to approve the minutes was passed by a unanimous vote.

4. GENERAL COMMUNICATIONS

Commissioner Brown arrived during the General Communications.

Executive Gregg Fortner presented three items of correspondence. The first was the Commission Request Log. Mr. Fortner notified the Commission of the updated items and due dates. The second item regarded the previous approval of an application for the

Housing Community and Development (HCD) funds from the state of California. The SFHA was awarded seven million dollars in bond financing for Valencia Gardens. The last item Mr. Fortner referenced was a confidential envelope pertaining to Item A under New Business. Mr. Fortner explained that the SFHA procurement process does not allow the bids to be publicized and therefore were submitted confidentially for their review.

Phil Galvin from Super Skills Basketball Camp gave a brief presentation about his program. Seventeen young people were awarded full scholarships to attend the Super Skills Basket Ball camp by the housing authority. Three students personally thanked the Commission and received congratulations all round.

Executive Director Gregg Fortner then recognized the works of Effie Robinson and presented a memoriam. Effie Robinson was born on January 7, 1920 and received her BA in 1943. She received her MA in 1945. In 1964 she became SFHA's first director of senior housing and in 1973 she became SFHA's director of senior programs. Ms. Robinson was instrumental in establishing the City Wide Counsil-Senior/Disabled. Effie Robinson died on May 23, 2003.

Mr. Fortner announced that for three days during the week of June 20-26 2003 Spike Lee Productions will be shooting a pilot in the Bay View Hunter's Point area. The pilot will be submitted to Showtime Entertainment.

5. REPORT OF SECRETARY

Mr. Fortner introduced the presentation of the update on the Valencia Gardens project. Mr. Fortner explained that no action needed to be taken on these items. This Report would also be presented at the finance meeting to be scheduled at the end of July so Commissioners Brown, Palega, and Clark could review it in depth. Mr. Fortner asked Barbara Smith to begin the Valencia Gardens presentation. Ms. Smith explained that both of the resident leaders were ill and could not attend. However she did introduce Kenneth Jones from Mission Housing Corporation, Lisa Pigon project manager, Ben Galden from Equity Community Builders, Fred Pollack from Van Meter Williams Pollack Architects, Eric Olson from CSG, and Diane Mclean from Goldfarb Lipman. Ms. Smith began the project overview by explaining that the disposition and development agreement was still in negotiation but they expected to bring it before the Commission in September. Both CALHFA and Citibank are very interested in providing construction and permanent financing for Valencia Gardens. Negotiations with both of those firms over interest rates and no interest funds is still in progress. Ms. Smith reported that the SFHA was in the design development stage with the architecture and that the remediation demolition paper work was complete. The design development was focused on utilities, structural elements, unit configurations and amenities. Regular meeting with the design team, residents, HUD and CaLHFA are taking place to insure no surprises throughout the commitment process. Preliminary assembly of a tax exempt bond financing team is also in progress. The TEFRA Hearing, required by the IRS, that took place on June 30, 2003.

This served to notify the public that the use of tax exempt bonds was under consideration but in no way obligated their use for Valencia Gardens. There are 23 households remaining out of the 246 units. All of these households have units identified and are waiting for final Section 8 inspections and rental agreements to be signed. They are expected to move within the week. Ongoing monthly task force meetings and bi-monthly development team meetings between the residents and community are taking place on the site. In addition to the 7 million dollar award for multifamily housing granted by the state, the agency received the Landmarks Preservation advisory approval of the 106 report for the National Historical Policy Act and for the environmental impact report. The final environmental documents and a memorandum of agreement were submitted to the state historic preservation office, which are all required steps for this type of development. The SFHA received the Art Commission's approval for the removal, maintenance, and return of the Benny DeFano sculpture currently located on the site. On June 26,2003 the SFHA received Planning Commission's approval for the Environmental Impact Report and Conditional Use, which oversees the design, number of units, parking, and street configuration. The Agency received HUD approval for the Section 8 housing project voucher waiver request.

An unofficial report suggested that there will probably be no priority for the HOPE VI demolition grant funding. Commissioner Clark inquired for clarification on this matter. Mr. Fortner explained, the demolition was ranked priority four and at the moment HUD is not funding anything above priority two. While the demolition will be covered by the funds provided by the Mayor's Office of Housing, HUD funding was still sought to ease the burden on local sources.

The application process for the Mayor's Office of Housing was finalized in June. CALHFA asked that Mission Housing submit the application for tax exempt bond financing in December, which is a change in schedule. Ms. Smith explained that because design development had been delayed and construction documents were also delayed. Mission housing will receive the subcontractor bids for remediation and demolition this month, which is on schedule. This month the Benny DeFano sculpture will be removed and the three-day notices will be issued to the remaining residents. Ms. Smith assured the Commission that everyone will be relocated to appropriate housing. All utilities and services will be shut down on the site and abatement of hazardous materials will begin in August. Demolition is scheduled for October. An updated cost of construction, based on the design documents, is scheduled for September. Ms. Smith listed an advanced notice of actions for the commission so that they could know what actions are upcoming. The agency provided a near final draft of the Disposition and Development Agreement, in the binders two weeks ago. This would be the first item in September. In July the agency will bring a Pre-Construction Services Agreement between the Housing Authority and Mission Housing before the Commission, to proceed with the abatement and demolition. When the request for the authorization for Mr. Fortner to execute the disposition and development agreement comes, Mission housing will also ask the commission to make finding in connection to the environmental review. This is a required step based on the environmental impact report.

To proceed with tax exempt bond financing an inducement resolution would also be brought before the commission in September.This would not obligate the use of tax

exempt bonds, it would acknowledge a start date for costs that could be covered by tax exempt bonds. Contracts for bond counsel and an underwriter requesting the executive directors authorization to negotiate the evidentiary documents for the HOPE VI closing, would be necessary to proceed with tax exempt bonds. The agency provided a summary of some key documents and a list of all documents for the Commissioners who were not part of the North Beach and Plaza East closing. In May of 2004 Mission Housing would request authorization to submit the closing documents to HUD for their review.

Commissioner Clark inquired if the agency was anticipating requesting bond issuance. Ms. Smith replied that Mission Housing was definitely proposing tax exempt financing for Valencia Gardens. CALHFA offers tax exempt financing which issues bonds, the San Francisco Housing Authority is also authorized to issue bonds. Commissioner Clark inquired if the cost of $61 million dollars was still current and if so, what source of funding would be effected by would tax exempt bonds issued by the San Francisco Housing Authority. Ms. Smith replied that most of the tax exempt financing would fall under construction costs and then is paid off by HOPE VI funds. Some of the tax exempt financing would stay with the development and would be paid off with tax credit rents and the rents from the Section 8. The use of tax exempt bonds was proposed although, whether or not the San Francisco Housing Authority would be the issuer of those bonds was to be determined. CALHFA was originally considered for the issuance of tax exempt bonds, however it may be in the San Francisco Housing Authority best interest to issue the bonds and have CitiBank be the lender.

Commissioner Clark inquired about the length of time between the demolition goal set for October 2003 and the construction goal of September 2004. Ms. Smith replied that demolition begins in October 2003 but would complete in January 2004.Remediation, site prep work, and other preparation activities would need to take place after the demolition, but before construction beginning in September 2004.

Commissioner Clark inquired if failing to receive demolition funding from HUD was the main reason for the delay. Ms. Smith replied that the delay was caused by the negotiations between their design team and CALHFA who became involved in the design review. The City Planning Commission then requested higher buildings which required major design changes.

Commissioner Woodruff asked what was the relocation plan for the 23 remaining residents. Mr. Fortner replied that as with the North Beach project, if their Section 8 housing or new choice public housing was not available, remaining residents would be mandated to public housing.

Commissioner Lee inquired whether it would be more cost effective to wait until January 2004 to begin construction due to weather. Ben Golvin replied that he felt confident that weather delays would not increase the cost of the demolition because of the flexibility of the demolition schedule. Furthermore, he could not foresee problem with beginning in October 2003. He also noted that if the contractor raised serious financial concerns about the weather, it would be possible to reconvene and discuss whether waiting would be more cost effective. Commissioner Lee inquired about the security of the demolished site between the months of January 2004 and September 2004. Mr. Golvin replied that the contractor is charged with insuring site security and a barrier similar to the one erected around the North Beach, site will be set up. Commissioner Lee

July. Commissioner Brown inquired if it was to have a look at the projected living quarters in the next presentation. Mr. Fortner agreed. This concluded the secretary report.

6. COMMITTEE REPORTS

Diversity Committee
No report.

Finance Committee
No report.

Personnel Committee
No report.

7. REPORT OF AGENCY COUNSEL

Agency Counsel Donna Martin stated that the Commission would be holding a closed session to discuss pending litigation. The Commission would be discussing Williams v. SFHA, SFHA vs. HUD, and The U.S. v. SFHA.

Commissioner Clark inquired about item 11.A and who was responsible for reviewing the legal bills. Ms. Martin replied that the legal office and the insurance company reviews the legal bills.

8. TENANT REPRESENTATIVE REPORT

City Wide Council - Senior/Disabled

President William Vitalie reported that he observed the elections at Rosa Parks and insured that the HUD rules were upheld. Mr. Vitalie was also looking forward to Monday's general meeting where Mr. Fortner, Ms. Boyd and the rest of their team will meet with City Wide Counsil to alleviate some of the problems concerns of the senior and disabled populous. Mr. Vitalie also announced a trip for 100 to 200 seniors/disabled persons in December.

Public Housing Tenants Association (PHTA)

No representative was present.

9. PUBLIC COMMENTS ON AGENDA ITEMS: LIMITED TO 2 MINUTES

There were no public comments on agenda items

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No report.

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Public Housing Tenants Association (PHTA)

No representative was present.

9. PUBLIC COMMENTS ON AGENDA ITEMS: LIMITED TO 2 MINUTES

There were no public comments on agenda items

10. UNFINISHED BUSINESS:

There was no unfinished business.

11. NEW BUSINESS

Resolution No. 5103

(A) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A TWO YEAR CONTRACT FOR UNLAWFUL DETAINER LEGEAL SERVICES ON AN AS NEEDED BASIS IN AN AMOUNT NOT TO EXCEED $ 200,000 DOLLARS

Victoria Adams, Risk Manager for the Office of General Counsel presented the details of this resolution. Ms. Adams presented a resolution authorizing the executive director to enter into service contracts for work related to unlawful detainer matters for a two-year period. In January 2003 a decision was made to outsource the SFHA's unlawful detainer (UD) work due to unforeseen staff shortages and a severe backlog of outgoing matters and new incoming matters. Two firms Eviction Assistance and Thompson-Lawson perform the work on behalf of the Housing Authority. In March 2003 with the approval of this Commission a purchase order was funded in an amount not to exceed $70,000 in order to continue to provide uninterrupted services till a contract could be executed. The authority issued a request for proposals which closed in March of 2003. The solicitation was preformed in accordance with the rules governing the agency's procurement process. Four firms responded to that solicitation, each firm has preformed considerable amount of work related to unlawful detainer actions. The Authority felt it would be advantageous to contract with all four firms on an as needed basis. Two of the firms would primarily be used for routine day-to-day eviction matters. The other two firms would be used to handle more complex litigation. Ms. Adams reported that using the four firms would allow the flexibility to be able to choose on a moments notice. Since January 2003 the SFHA has out sourced approximately 276 matters. Of those 102 had resulted in either a vacate, eviction or a stipulated agreement had been executed. All of this work had been done at an average cost of $365 per matter. Because of the need to continue in processing UD matters in a timely fashion, without any interruption, the Office of General Counsel urged the adoption of this resolution.

Commissioner Clark inquired how much of the $70,000 "band aid" had been used since it was issued in March 2003. To which Ms. Adams replied almost the entire sum had been used. Commissioner Clark inquired out of the 276 out sourced matters how many had been UD cases and how many had been evictions. Ms. Adams replied that unlawful detainer and evictions are interchangeable. Mr. Fortner clarified that an unlawful detainer was either a violation of the lease either through an unpaid lease or possibly criminal activities. Commissioner Clark inquired if $200,000 dollars would be enough to cover a two-year period, given that $70,000 was spent since March. Ms. Adams replied that the issue was the large backlog that had to be brought current, and now there are new

incoming matters that need funding. Commissioner Clark wanted to know who would review each of the different bills from each firm. Ms. Martin replied that each firm is reviewed very carefully and that only two firms being used have net fees while the hourly fees for unusual cases, is common to all four. Commissioner Clark inquired if any billing problems from the two firms had arisen to date. Ms. Martin replied that she had disallowed some of the fees and that every fee from the two firms fell under strict scrutiny, even to the point of having a live witness from the office observe the trials. Commissioner Clark inquired if the firms had significant malpractice insurance to cover anything that might affect liability of the agency. Ms. Adams replied that the solicitation requires that the applying firms submit the proper insurance coverage, thus she assumed that it had been done. Ms. Martin commented that both malpractice and general liability insurance was required before consideration.

Commissioner Brown inquired whether it would be in the best interest to use four firms or a single "do all" firm. Mr. Fortner replied that the flexibility allowed by having four firms at the agency's disposal would prevent an overload of any one firm. Commissioner Brown acknowledged that four firms would provide flexibility but that the agency already used two firms so why were four necessary. Ms. Adams replied that two of the firms handle routine eviction matters and they are inundated, so the ability to seek another firm for complex matters would allow the routine matter to proceed uninterrupted. Commissioner Brown inquired if the $200,000 would be enough funds for a two-year period. Mr. Fortner replied that the spending of the $70,000 in four months was not a typical use of funds, but the large backlog of work created large front end costs which will eventually level out, but if more funds are needed then the agency will return to the Commission.

Commissioner Lee inquired when the two years would commence and close. Ms. Adams replied that the commencement date would start the day of the approval and when the contracts are awarded. Mr. Fortner added assuming this resolution passes it would close July 10, 2005. Commissioner Lee inquired about the overall picture of the San Francisco Housing Authority eviction process, and has there been any improvement in the situation. Mr. Fortner replied while there was a history of not evicting residents for back rent even sixty days overdue, which is how the backlog formed currently, a much harder stance will be held and processes will be in order.

Commissioner Clark inquired as to whether it is more efficient to use these four firms or hire an in house attorney for $100,000 a year. Mr. Fortner replied that having such an attorney caused the backlog and with benefits included, an attorney costs more than $100,000 a year thus a two year budget not to exceed $200,000 would be more cost effective.

Commissioner Clark moved to approve Resolution No. 5103. Commissioner Woodruff seconded the motion. The motion to approve Resolution No. 5103 was unanimously approved.

12. PUBLIC COMMENTS ON ITEMS NOT ON AGENDA

Donise Manchester was not present to address the Commission

Yvette Albert was not present to address the Commission

Mirna Escobar, of the Woodside Gardens Bilingual Commission Advocates, had filed a discrimination complaint against the San Francisco Housing Authority. This complaint regarded matters at Valencia Gardens and Woodside Gardens. She warned that if security administration is allowed to place their own spin on who can enter to visit people on the site it may become a haven for drug dealers. She said that while battling drug dealers she was assaulted and her home was bombed by residents of San Francisco housing. She also recommend www.allink.com for the purchase of ink cartridges for printers. Afterward she distributed a letter to the Commission containing information about a discrimination lawsuit against Greg Fortner and the SFHA.

Sheree Leblanc, raised strong concerns about the shooting in her unit and her safety and the safety of her 18 month old child. She stated that she had been relocated from one public housing site to another and had faced similar problems at every site. The severity of the incidents has caused her to fear for her life and the life of her son especially after seeing bullet holes in her front door and in her sons room. She presented pictures and police reports.

13. COMMISSIONER COMMENTS AND REPORTS

Commissioner Gans asked for an update of the computer learning center in each development and the 992 Ellsworth street computer learning center which is under construction.

Commissioner Clark asked about Mr. Fortner's security in regards to a perceived threat that occurred at the last meeting. Mr. Fortner replied that his staff had taken appropriate action. Commissioner Clark commended Mr. Roetzer for his work in the Super Skills Basket Ball Camp scholarships and that he is looking forward to hearing from the awardees again.

Commissioner Smith commented that she had attended the memorial for Ms. Maxwell and it was very pleasant.

Commissioner Woodruff reminded Ms. Leblanc that the Commission is committed to doing what it can, when it can, for the all the residents of public housing. He asked for her patience and assured her that attention was being brought to her concern.

Commissioner Brown suggested that since the President of the Commission was feeling under the weather, he be sent a get well card from the Commission.

14. CLOSED SESSION

Vice President Julie Lee announced that the Commission had concluded its public business and would go into closed session. A closed session was scheduled with the Executive Director and Agency Counsel under Government Code Section 54956.9 (b)(1) to discuss pending litigation under Government Code Section 54956.9(a) (Williams vs. SFHA; SFHA vs. HUD and USA vs. SFHA). The Commission went into closed session at 5:59 p.m.

15. RECONVENING OF THE COMMISSION MEETING

The Commission reconvened at 6:36 p.m. The Commission met in closed session to discuss the items noticed on the agenda. The Commissioners present in the closed session were Commissioners Smith, Lee, Gans, Woodruff, and Brown. Commissioner Clark left early. Commissioner Lee stated that the Commission discussed the legal matter of the Williams v. SFHA, SFHA v. HUD and U.S. v. SFHA. The Commission was updated and the matter will be pursued.

16. ADJOURNMENT

There being no further business to come before the Commission, Commissioner Brown moved to adjourn the meeting and Commissioner Woodruff seconded the motion. Vice President Lee adjourned the regularly scheduled meeting of July 10, 2003 at 6:37 p.m.

Gregg Fortner, Secretary/Executive Director

Julie Lee, Vice President

SAN FRANCISCO HOUSING AUTHORITY
440 Turk Street • San Francisco CA • 94102 • (415) 554-1200

DOCUMENTS DEPT.

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NOTICE

≡ Agenda

≡ CANCELLATION OF JULY 24, 2003 COMMISSION MEETING

THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO, SCHEDULED FOR JULY 24, 2003, HAS BEEN CANCELLED.

GREGG FORTNER, SECRETARY/EXECUTIVE DIRECTOR

SAN FRANCISCO HOUSING AUTHORITY
440 Turk Street • San Francisco CA • 94102 • (415) 554-1200

NOTICE

THE REGULARLY SCHEDULED MEETING OF THE
SAN FRANCISCO HOUSING AUTHORITY COMMISSION
WILL BE HELD ON THURSDAY, AUGUST 14, 2003 AT 4:00 P.M.
AT 440 TURK STREET, SAN FRANCISCO, CALIFORNIA, 94102

AGENDA
August 14, 2003

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1. ROLL CALL

   Sululagi Palega, Sr., President
   Julie Lee, Vice President
   George R. Brown, Commissioner
   Betty J. Smith, Commissioner
   Andrew J. Clark, Commissioner
   Neola Gans, Commissioner
   Rev. George Woodruff, Commissioner

2. APPROVAL OF AGENDA

3. APPROVAL OF MINUTES

   - July 10, 2003 Regular Commission Meeting

4. GENERAL COMMUNICATIONS

5. REPORT OF SECRETARY

6. COMMITTEE REPORTS

   Diversity Committee – Nothing to Report
   Finance Committee – August 6, 2003
   Personnel Committee – Nothing to Report

7. REPORT OF AGENCY COUNSEL

8. TENANT REPRESENTATIVE REPORT:

City Wide Council - Senior/Disabled
Public Housing Tenants Association (PHTA)

9. PUBLIC COMMENTS ON AGENDA ITEMS: LIMITED TO 2 MINUTES

NOTE: *The public will have the opportunity to comment on agenda items prior to any action taken by the Commission pursuant to the San Francisco Housing Authority Rules Governing Public Testimony adopted 2/23/95 as Resolution No. 4423. Prior to adjournment, after Item No. 11, the public will have the opportunity to comment on items not on the agenda.*

10. UNFINISHED BUSINESS - None

11. NEW BUSINESS

(A) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A TWO-YEAR AGREEMENT WITH MORRIS, DAVIS & CHAN, LLP, TO PROVIDE ANNUAL INDEPENDENT AUDITING SERVICES FOR THE SAN FRANCISCO HOUSING AUTHORITY.

(B) RESOLUTION AUTHORIZING THE APPOINTMENT OF A NEIGHBORHOOD REPRESENTATIVE TO THE BERNAL HOUSING CORPORATION BOARD OF DIRECTORS.

(C) RESOLUTION TO ADOPT THE ENVIRONMENTAL IMPACT FINDINGS OF THE PLANNING COMMISSION OF THE CITY AND COUNTY OF SAN FRANCISCO AS THE AUTHORITY'S OWN FOR THE VALENCIA GARDENS HOPE VI REVITALIZATION PROGRAM.

(D) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A PRECONSTRUCTION SERVICES AGREEMENT (PSA) FOR THE PURPOSES OF CLEARING THE VALENCIA GARDENS SITE USING HOPE VI GRANT FUNDS NOT TO EXCEED $3,365,844.00.

(E) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO: (1) NEGOTIATE A GROUND LEASE AND CAPITALIZED GROUND LEASE PAYMENT WITH A PARTNERSHIP COMPRISED OF UNION PROPERTY CAPITAL, INC. AND CARING AND RESTORATION HOMES INCORPORATED FOR DEVELOPMENT OF AFFORDABLE HOMEOWNERSHIP HOUSING ON THE VACANT SURPLUS PORTION OF THE ALICE GRIFFITH PROPERTY; AND (2) SUBMIT A DISPOSITION APPLICATION TO HUD FOR THE LONG TERM GROUND LEASE.

(F) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH C + J PAINTING COMPANY TO CONDUCT LEAD HAZARD REMEDIATION AT CAL 1-2, POTRERO TERRACE AND CAL 1-8, WESTSIDE COURTS, IN AN AMOUNT NOT TO EXCEED $432,000.00.

(G) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO EXTEND THE AGREEMENT TO CONTINUE BLANKET PURCHASE ORDERS FOR FLEET VEHICLE REPAIRS WITH VARIOUS LOCAL SMALL BUSINESS AUTOMOTIVE REPAIR SHOPS IN AN AMOUNT NOT TO EXCEED $50,000.00 THROUGH THE END OF FISCAL 2003 AND ENTER INTO AN AGREEMENT FOR CONTINUED SERVICES FOR AN AMOUNT NOT TO EXCEED $200,000.00 FOR FISCAL YEAR 2003-2004 SUBJECT TO THE AVAILABILITY OF FUNDS.

(H) RESOLUTION APPROVING AND AUTHORIZING AN AMENDMENT TO ARTICLE III, SECTION II, OF BYLAWS OF THE COMMISSION OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO OMITTING THE REGULAR MEETING SCHEDULED ON THE FOURTH THURSDAY OF EACH MONTH.

12. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

13. COMMISSIONER'S COMMENT AND REPORT

14. CLOSED SESSION

A Closed session is scheduled with the Executive Director and Agency Counsel under Government Code Section 54956.9 (b)(1) to discuss pending litigation under Government Code Section 54956.9(a) (Williams vs. SFHA; SFHA vs. HUD and USA vs. SFHA; case name unspecified to avoid jeopardizing existing settlement negotiations).

15. RECONVENING OF COMMISSION MEETING

16. ADJOURNMENT

GREGG FORTNER, Secretary/Executive Director

A

SAN FRANCISCO HOUSING AUTHORITY

440 TURK STREET • SAN FRANCISCO, CALIFORNIA 94102 • (415) 554-1200

DATE: August 14, 2003

TO: San Francisco Housing Authority Commissioners

Sululagi Palega, Sr., President
Julie Lee, Vice President
George R. Brown, Commissioner
Betty J. Smith, Commissioner
Andrew J. Clark, Commissioner
Neola Gans, Commissioner
Rev. George Woodruff, Commissioner

FROM: Gregg Fortner, Secretary/Executive Director

SUBJECT: **RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A TWO-YEAR AGREEMENT WITH MORRIS, DAVIS & CHAN, LLP, TO PROVIDE ANNUAL INDEPENDENT AUDITING SERVICES FOR THE SAN FRANCISCO HOUSING AUTHORITY.**

PURPOSE

This Resolution authorizes the Executive Director to enter into a two-year agreement with Morris, Davis, & Chan, LLP (MDC), to provide independent auditing services, pursuant to U.S. Department of Housing and Urban Development (HUD) regulations, for the San Francisco Housing Authority (SFHA) for the fiscal years ending September 30, 2003 and September 30, 2004.

OVERVIEW/BACKGROUND

The HUD regulations require every public and Indian housing authority to conduct an annual independent audit of the financial and business transactions. The annual independent audit must conform to the generally accepted government auditing standards established by the U.S. General Accounting Office's Government Auditing Standards (1994), the Single Audit Act Amendment of 1996, the provisions of the U.S. Office of Management and Budget Circular A-133, *Audits of State, Local Governments and Non-Profit Organizations of 1997*, and the Government Accounting Standards Board statements and technical bulletins. In addition, this agreement must be approved by the HUD Troubled Agency Recovery Center (TARC). The certified public

accounting firm of MDC has performed the annual independent audit for the SFHA for the past six fiscal years starting in FY1997.

PROCUREMENT PROCESS

A Notice of Intent to solicit Requests for Proposals (RFP) from qualified firms to provide annual auditing services for the SFHA was circulated and advertised mainly in the San Francisco Chronicle on May 5 and May 9, 2003, and announced a respondent's closing date of June 4, 2003. Direct mailings were made to the California Society of Certified Public Accountants/Auditors and ten (10) copies were mailed directly to audit firms listed in our database of existing and/or potential vendors. In addition, the RFP package was available online on the SFHA website.

A total of eight (8) firms submitted written proposals by the June 4, 2003 closing date. Those firms, in alphabetical order, were:

- Macias, Gini & Company LLP,
- Morris, Davis & Chan, LLP,
- Novogradac & Company, Inc.,
- Patel & Associates,
- Samuel H. Wong & Company,
- Tokunbo P. Oke-Bello, CPA,
- Vargas and Company, CPA and
- Williams, Adley & Company.

The selection process consisted of five steps. First, an Evaluation Panel of three qualified financial personnel was selected. The three members of the Evaluation Panel were:

- Virgilio Chua, Accounting Manager, Chairperson, SFHA
- Herbert Lum, Acting Deputy Department Administrator, SFHA
- Robert Michaels, Accounting Officer, Oakland Housing Authority

Secondly, the Evaluation Panel conducted a technical qualification review of each submitting firm's written proposal. Thirdly, the four highest scoring firms for technical capabilities were invited to meet with the Evaluation Panel for presentations and a final review of qualifications. In the fourth step, each firm's technical and presentation scores were averaged together to derive a "combined" score. In the fifth and final step, the bid (cost) submissions for the four highest scoring firms were opened and compared to the combined score.

The three-member Evaluation Panel used the following criteria for scoring the most responsive bidders:

• Firm's background and qualifications to express opinion on general purpose financial statements	30%
• Firm's previous auditing experience with large PHAs and HUD REAC	30
• Firm's ability, capacity and flexibility in qualified staff and other resources	20
• Length and depth of experience with HUD and REAC reporting standards	10
• MBE/WBE participation and resident hiring	10
TOTAL =	100%

A separate panel consisting of two senior officers of SFHA reviewed the recommendation of the first Evaluation Panel and took into account the proposed cost of the audit. The secondary panel consisted of the following personnel:

David L. Esparza, Administrator, Finance
Rene Latosa, Acting Deputy Administrator, Management Services and Support

Based on the proposed cost, previous satisfactory audit services, and reasonable audit completion timetable due to their familiarity with the accounting procedures in SFHA, the secondary panel decided to propose awarding the contract to Morris, Davis & Chan, LLP.

The procurement process for actions covered by this Resolution meet the procurement standards of 24 CFR 85.36 "Procurement", HUD Handbook 7460.8 Rev. 1, "Procurement Handbook for Public Housing Agencies and Indian Housing Authorities", the SFHA Procurement Policy Manual, and the State of California and local laws.

ANTICIPATED OUTCOME

The independent public auditors (IPA) will test, review and report on the SFHA's internal controls and its compliance with applicable laws and regulations on all major programs, and will audit the SFHA's accounts, records and general purpose financial statements in conformity with generally accepted accounting principles for the twelve (12) month periods ending September 30, 2003 and September 30, 2004. This financial audit shall be sufficient in scope to enable the IPA to express an opinion on the SFHA's financial statements, including the Schedule of Expenditures of Federal Awards and Financial Data Schedule of the audited financial statements; reports on internal controls and program compliance and reporting in conformity with Government Accounting Standards Board (GASB) Statement No. 34.

The IPA will present plans and proposals to unilaterally address the audit qualification on the Land, Structures and Equipment through an accepted alternative procedure that will be sufficient to ultimately eliminate the audit finding.

The independent audit report shall be issued by April 30, 2004, for the fiscal year ending September 30, 2003, and April 30, 2005, for the fiscal year ending September 30, 2004. Upon issuance of the independent audit report, a Data Collection Form will be prepared for submittal to the U.S. Department of Commerce and an electronic submission and attestation of the audit report will be provided for the HUD Real Estate Assessment Center. Copies of the independent audit report will also be distributed to all appropriate governing and regulatory bodies.

WHO BENEFITS

The SFHA will benefit from an independent testing, review, oversight, and reporting of its annual financial statements, internal controls and program operations in addition to complying with HUD's and other federal regulatory requirements. Further, the IPA serves as a check and balance to the Finance Department and other SFHA organizational units, and is solely accountable to the Commission and Executive Director in reporting any audit findings and/or situations noted.

BUDGET CONSIDERATIONS

Funds to cover the cost of the two annual audits are available in the following SFHA program budgets: Low Income Operating Budget and Section 8 Budget. All independent audit costs are fully reimbursable by HUD.

RESIDENT EMPLOYMENT

The firm of MDC is committed to actively recruit, hire and train two (2) positions from a pool of qualified residents furnished by the SFHA who possess four-year college degrees in Accounting and a minimum of two years of auditing experience. There are normally two to three field auditors assigned in each fiscal year's six-month audit engagement period. If a qualified field auditor is not available from the resident pool, MDC is prepared to hire and train a qualified resident for support services in its Oakland home office.

MBE/WBE STATUS

Morris, Davis & Chan, LLP is an MBE certified firm and maintains affirmative action opportunities in its hiring and promotional practices.

RECOMMENDATION

I recommend that the attached resolution be approved, authorizing the execution of a two-year agreement with the certified public accounting firm of Morris, Davis & Chan, LLP, to provide annual independent auditing services to the San Francisco Housing Authority.

RESOLUTION NO: 5104
ADOPTED: 8/14/03

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A TWO-YEAR AGREEMENT WITH DAVIS & CHAN, LLP, TO PROVIDE ANNUAL INDEPENDENT AUDITING SERVICES FOR THE SAN FRANCISCO HOUSING AUTHORITY.

WHEREAS, the Authority is required by the U.S. Department of Housing and Urban Development (HUD) to conduct yearly independent audits in accordance with the generally accepted auditing standards; and

WHEREAS, the Authority desires to enter into a new agreement to cover Annual Auditing Services for the fiscal years ending September 30, 2003 and September 30, 2004; and

WHEREAS, the certified public accounting firm of Morris, Davis & Chan, LLP, responded to the Authority's Request for Proposals and was selected as the best and most qualified bidder; and

WHEREAS, the certified public accounting firm of Morris, Davis & Chan, LLP, proposed a reasonable audit fee based on the scope of services; and

WHEREAS, the certified public accounting firm of Morris, Davis & Chan, LLP, satisfied the Authority's requirements for audit issuance dates of April 30, 2004, and April 30, 2005; and

WHEREAS, the procurement process for those actions covered by this Resolution meet the procurement standards of 24 CFR 85.36 *Procurement*, HUD Handbook 7460.8 REV 1, *Procurement Handbook for Public Housing Agencies and Indian Housing Authorities*, the San Francisco Housing Authority's Procurement Policy Manual, and the State of California and local laws; and

WHEREAS, funds to cover the cost of annual independent auditing service are available in the Authority's program budgets: Low Income Operating Budget and Section 8 Budget, and are fully reimbursable by HUD.

NOW THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO THAT:

1. The Executive Director is authorized, subject to the approval of HUD Troubled Agency Recovery Center (TARC), to enter into a two-year Agreement with Morris, Davis, & Chan, LLP, to provide annual independent auditing services for the San Francisco Housing Authority for FY2003 and FY2004.
2. This Resolution shall take effect immediately.

APPROVED AS TO FORM AND LEGALITY:

Donna Martin, General Counsel

Date: 8-07-03

REVIEWED BY:

Gregg Fortner, Executive Director

Date: 8/8/03

B

SAN FRANCISCO HOUSING AUTHORITY

440 TURK STREET • SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-1200

DATE: JULY 29, 2003

TO: SAN FRANCISCO HOUSING AUTHORITY COMMISSIONERS

Sululagi Palega, Sr., President
Julie Lee, Vice President
George R. Brown, Commissioner
Betty J. Smith, Commissioner
Andrew J. Clark, Commissioner
Neola Gans, Commissioner
Rev. George Woodruff, Commissioner

FROM: Gregg Fortner, Secretary/Executive Director

SUBJECT: RESOLUTION AUTHORIZING THE APPOINTMENT OF A NEIGHBORHOOD REPRESENTATIVE TO THE BERNAL HOUSING CORPORATION BOARD OF DIRECTORS

OVERVIEW

The Bernal Housing Corporation Bylaws, as amended by the Commission, provides for a seven member Board of Directors. Currently, all positions on the Board are filled, except for the Neighborhood Representative position that is vacant. This resolution requests that the Commission appoint a neighborhood representative to the Bernal Housing Corporation Board of Directors.

After several months of outreach to the neighborhood, a number of neighborhood residents expressed interest in this position. The Bernal Dwellings Tenants' Association, Bernal residents and SFHA staff reviewed their qualifications and interviewed candidates. Ms. Catherine Ramacciotti who was determined to be the best qualified neighborhood representative and was unanimously recommended for the position. Ms. Ramacciotti has held a number of Executive Office positions for community organizations/associations, is an active member of various Mission Neighborhood Associations and Coalitions and provides volunteer support to various agencies working in the Mission District.

OBJECTIVE

The objective of this resolution is to obtain Commission appointment of a neighborhood representative to the Bernal Housing Corporation Board of Directors. The Commission, by taking this action, will ensure neighborhood participation and representation in the ongoing activities relating to Bernal Dwellings.

ANTICIPATED OUTCOMES

The Bernal Housing Corporation will have a fully constituted Board of Directors, with a neighborhood resident as member of the Board, in addition to the two Bernal resident Board members. The other Board members are three SFHA staff members and one Commissioner.

WHO BENEFITS

The residents of Bernal Dwellings, the surrounding community, and the City benefit, because the Bernal Housing Corporation Board of Directors is broadly constituted, with representatives from Bernal Dwellings, the surrounding community, and the SFHA.

BUDGET CONSIDERATIONS

There is no budgetary impact from the appointment of a neighborhood representative to the Bernal Housing Corporation.

RECOMMENDATION

Staff recommends that the Commission appoint Ms. Catherine Ramacciotti to the Bernal Housing Corporation Board of Directors as the Neighborhood Representative.

(Prepared by Ingerbore Rivera)

RESOLUTION NO. 5105
DATE ADOPTED 8/14/03

RESOLUTION AUTHORIZING THE APPOINTMENT OF A NEIGHBORHOOD REPRESENTATIVE TO THE BERNAL HOUSING CORPORATION BOARD OF DIRECTORS

WHEREAS, Resolution 4719, adopted on September 24, 1998, approved the formation of the Bernal Housing Corporation (the Corporation") to act as the general partner of the limited partnership that will own the reconstructed Bernal Dwellings development;

WHEREAS, the bylaws approved by the Commission for the Corporation provide that two (2) of the directors of the Corporation shall be residents selected by resolution of the resident association of Bernal Dwellings and appointed by the Executive Director of SFHA;

WHEREAS, the bylaws also require that the Commission appoint a neighborhood representative (the "Neighborhood Representative") to the board of directors of the Corporation, which representative shall serve at the pleasure of the Commission;

WHEREAS, the qualifications of several neighborhood residents who expressed interest in serving on the board of directors of the Corporation as the Neighborhood Representative were reviewed by Bernal residents and staff; and

WHEREAS, Ms. Catherine Ramacciotti was determined to be the best qualified of the neighborhood residents.

NOW, THEREFORE BE IT RESOLVED BY THE COMMISSION OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCICO THAT:

1. The Commission hereby appoints to the board of directors of the Corporation the Neighborhood Representative, Ms. Catherine Ramacciotti.

2. The directors of the Corporation are authorized to take such actions as may be necessary or required to affect the intent of these resolutions.

This Resolution shall take effect immediately.

APPROVED AS TO FORM AND LEGALITY:

Donna Martin
DONNA MARTIN, General Counsel

Date: 8/8/03

REVIEWED BY:

GREGG FORTNER,
Executive Director

Date: 8/8/03

Exhibit B-1

CATHERINE ROSE RAMACCIOTTI
1426 Florida Street
San Francisco, CA 94110
(415)824-9505

OBJECTIVE

To obtain a position within the Bernal Dwelling to encourage improvement and to support such other activities that tend to make for a better neighborhood.

\WORK EXPERIENCE

Safeway Stores Incorporated (1976 - Present)
Retail Food Clerk
15 Marina Boulevard
San Francisco, CA 94123
Lou Koh - Manager
(415)563-4946

Saint Peter's Elementary School (1991 - 1997)
Art Instructor
1266 Florida Street
San Francisco, CA 94112
(415) 647-8662

Saint Peter's Summer Camp Program (1995 -1997)
Art Instructor
1266 Florida Street
San Francisco, CA 94112
(415) 647-8662

EDUCATION

Rudolph Schaeffer School of Design
2255 Mariposa Street
San Francisco, CA 94107
Major: Interior Design and Color
College Graduation: May 18, 1980

ADDITIONAL EDUCATION

Immaculate Conception Academy
High School Graduation: June - 1977
3625 - 24th Street
San Francisco, CA 94110
(415) 824-2052

Saint Peter's Elementary School
Elementary School Graduation: June - 1973
1266 Florida Street
San Francisco, CA 94112
(415) 647-8662

JUL 2 3 2003

COMMUNITY ORGANIZATIONS

Executive Office Positions

President, East Mission Improvement Association
(2001 - Present)
Vice President, East Mission Improvement Association
(1999 - 2001)
P.O. Box 410521, S.F., CA. 94141-0521

Secretary, 49er Goal Rushers, San Francisco Chapter
(1998 - Present)
3311 Mission Street, P.O. Box 49, San Francisco, CA. 94110

Membership Involvement

Parishioner of Saint Peter's Parish (1959 - Present)

United Food Workers - Union Local #648 (1976 - Present)

Coalition for San Francisco Neighborhoods (1999 - Present)

San Francisco Neighborhood Alliance for Political Awareness
(2000 - Present)

Lower 24th Street Association (2001 - Present)

Rolph Park Association (2001 - Present)

VOLUNTEER SUPPORT

Saint Peter's Athletic Department (1991- 1994)

Archbishop Riordan High School Band (1996 - 2000)

The San Francisco Society for the Prevention of Cruelty to

Animals (1997 - 1999)

Neighborhood Emergency Response Team - NERT
San Francisco Fire Department (2000 - Present)

Mission Police Station & St. John's Educational Thresholds
Center Children's Christmas Party (2001 - Present)

San Francisco's League of Urban Gardeners (2002- Present)

DPW - Community "Clean Team" (2002 - Present)

References available upon request

Exhibit B-2

Inner Mission Neighbors

1139 Shotwell Street • San Francisco, CA 94110 • (415) 826-7319

August 6, 2003

Sululagi Palega, Sr.
President, Board of Commissioners
San Francisco Housing Authority
440 Turk Street
San Francisco, CA 94102

Dear President Palega:

This letter is written in support of the appointment of Ms. Catherine Ramacciotti to the Bernal Dwellings Housing Corporation Board of Directors.

We have known and worked with Ms. Ramacciotti for many years and have always found her to be a concerned resident who has strong affiliations in our community. She has always exhibited reasonableness in her decision making.

We are pleased to recommend the appointment of Ms. Ramacciotti.

Sincerely,

Lawrence E Burnett Jr

Lawrence E. Burnett, Jr.
Acting President

Exhibit B-3

Glenda C. Powell
1139 Shotwell Street
San Francisco, CA 94110

August 7, 2003

Sululagi Palega, Jr.
President, Board of Commissioners
San Francisco Housing Authority
440 Turk Street
San Francisco, CA 94102

Dear President Palega:

By this letter I am requesting that you accept my resignation from the Bernal Dwellings Housing Corporation Board of Directors.

The commission, staff, residents and surrounding area community should be proud of their accomplishments at Bernal Dwellings. There were certainly times when moving forward was not a simple task.

Thank you for providing me the opportunity for involvement.

Sincerely,

Glenda C. Powell

Exhibit B-4

Bernal Dwellings Tenant Association
3128 Kamille Court
San Francisco, Ca. 94110

August 4, 2003

Dear Bernal Dwellings Housing Corporation,

"We the Bernal Dwelling Tenant Association are pleased to recommend Ms. Kathy Ramacciatti for the position of Neighborhood Representative Board Member for the Bernal Housing Corporation. We have met with her and feel that she can be a great contribution to the Bernal Dwellings residents, the Board and the community".

Sincerely,
The Bernal Dwellings Tenant Association

Kimberly Hill Brown for Paulette Budrow 8/6/03
Paulette Budrow, BDTA President

8/4/03
Kimberly Hill-Brown, BDTA Secretary

cc. Mr. Greg Fortner, SFHA Exec. Director
Mrs. Barbara Smith, BDHC Secretary
Mrs. Marie Swanson, HOPE VI Manager

C

SAN FRANCISCO HOUSING AUTHORITY
440 Turk Street • San Francisco CA • 94112 • (415) 554-1200

DATE: **August 8, 2003**

TO: **SAN FRANCISCO HOUSING AUTHORITY COMMISSIONERS**

Sululagi Palega, Sr., President
Julie Lee, Vice President
George R. Brown, Commissioner
Betty J. Smith, Commissioner
Andrew J. Clark, Commissioner
Neola Gans, Commissioner
Rev. George Woodruff, Commissioner

FROM: **Gregg Fortner, Secretary/Executive Director**

SUBJECT: **RESOLUTION TO ADOPT THE ENVIRONMENTAL IMPACT FINDINGS OF THE PLANNING COMMISSION OF THE CITY AND COUNTY OF SAN FRANCISCO AS THE AUTHORITY'S OWN FOR THE VALENCIA GARDENS HOPE VI REVITALIZATION**

OVERVIEW

This resolution requests that you take an action that is essential for beginning the revitalization of the Valencia Gardens public housing site: to adopt the environmental impact findings of the Planning Commission of the City and County of San Francisco as the Authority's own for the Valencia Gardens HOPE VI Revitalization program.

PROCUREMENT

The procurement process for the action covered by this Resolution meets the procurement standards of 24 CFR 85.36 "Procurement", HUD Handbook 7460.8 REV 1, "Procurement Handbook for Public Housing Agencies and Indian Housing Authorities", the San Francisco Housing Authority Procurement Policy Manual and the State of California and local laws.

The Authority solicited responses to an RFP on May 28, 1997, requesting interested developers to submit proposals for the demolition and redevelopment of Valencia Gardens. In October 2000, the Commission authorized the Executive Director to negotiate a Developer Partner MOU and Predevelopment Loan Agreement with the highest ranked development team, Mission Housing Development Corporation (MHDC).

As the Authority's developer partner procured under 24 CFR 85.36, MHDC procurements are now under the HUD procurement standards of 24 CFR Part 941, "Public Private Partnerships for the Mixed Finance Development of Public Housing Units". Following these procurement standards, MHDC, in consultation with the Authority and Valencia Gardens residents, selected a design team of architects and engineers led by Van Meter Williams Pollack, and selected Nibbi Brothers Construction as General Contractors. Upon execution of a Preconstruction Services Agreement, MHDC will proceed with the selection of the lowest qualified bidders for the remediation, demolition and environmental mitigation measures.

OBJECTIVES

This resolution provides for the Commission, acting as the "lead agency" pursuant to the California Environmental Quality Act (CEQA), to implement the project as evaluated and articulated in the Valencia Gardens Environmental Impact Report (EIR). The Commission adopts as the Authority's own findings, the Findings established in the CEQA documents that have been reviewed and approved by the Planning Commission of the City and County of San Francisco. (ATTACHMENT 1) The City and the State Historic Preservation Officer have entered into a Memorandum of Agreement that establishes the stipulations the City will enforce in the demolition and reconstruction of Valencia Gardens. (ATTACHMENT 2) Both Mission Housing Development Corporation and the Authority are concurring parties to the Agreement.

PRESENT SITUATION

MHDC and its design team, working with the Valencia Gardens residents and Authority staff, have prepared schematic designs, design development documents and demolition plans. The City of San Francisco Planning Commission through the granting of a Conditional Use Authorization on June 26, 2003 has approved these designs. (ATTACHMENT 3)

There have been a number of prior Commission actions in preparation for the Valencia Gardens revitalization. In October of 2000, the Commission authorized the Executive Director to enter into a Memorandum of Understanding (MOU) and Predevelopment Loan Agreement with MHDC, review and approve a detailed project proposal, and negotiate a Development and

Disposition Agreement for the Valencia Gardens Revitalization (ATTACHMENT 4). The Commission authorized the expenditure of up to $3,052,046 for the predevelopment related activities to support the project. Since that time, the following has been accomplished:

- Representatives of residents, neighborhood associations, Authority staff and MHDC have scheduled regular meetings to discuss the revitalization plans and progress.
- MHDC has engaged a construction contractor to provide value engineering, construction cost estimating, and competitive bidding for demolition and construction.
- MHDC development of MBE/WBE participation plan and Resident Hiring Plan.
- Relocation of all residents from the Valencia Gardens site.
- Completed state (CEQA) environmental reviews and approval.
- Completed all of the Federal NEPA review except request for release of funds expected by late August 2003.
- Submittal of the Demolition Permit Application for City approval in mid-August 2003.
- Obtained unanimous San Francisco Planning Commission approval for the Conditional Use Authorization for Valencia Gardens revitalization on June 26, 2003.
- Developer Bidding of the Hazardous Material Remediation and Demolition Contract with a pending Notice to Proceed on September 2, 2003.

Project Schedule

Upon Commission approval and the Authority's execution of a Preconstruction Services Agreement with MHDC, remediation and demolition will begin promptly, as early as September 4, 2003. Construction on the new development is expected to begin in September 2004, subject to the date of the closing of all financing. The new development is expected to be ready for occupancy beginning in July 2005. The entire redevelopment process is scheduled for completion by December 2005.

ANTICIPATED OUTCOME

By adoption of this resolution the Authority will have fulfilled its obligations as 'lead agency' in the completion of the CEQA review and implementation process.

WHO BENEFITS

The Environmental Impact findings of the Planning Commission represent consensus on a significant effort by the Valencia Gardens residents, the Valencia Gardens Resident Council, the MHDC and Authority staffs, and the Valencia Gardens HOPE VI Community Task Force. The

Valencia Gardens residents, the Mission District neighborhood as a whole, and the Authority will benefit from the successful revitalization of the Valencia Gardens development.

BUDGET CONSIDERATIONS

The environmental mitigation measures required by the Environmental Impact findings is an appropriate use of HOPE VI funds for the demolition of the existing structures.

RESIDENT HIRING

MHDC and the Authority have begun outreach for residents with priority for Valencia Gardens residents. The initial focus includes job positions with the development team and the demolition/ hazardous material abatement sub-contractor. To meet and exceed the Commission's 25% resident hiring requirements contained in Resolution 4967, the resident hiring will be directed by MHDC's Resident Hiring Coordinator under a Resident Hiring Plan (ATTACHMENT 5) agreed by the Authority, and will be monitored by the Authority's Contracting Officer using Appendix to 24 CFR Part 135, Examples of Efforts to Offer Training and Employment Opportunities to Section 3 Residents.

MHDC's general contractors have estimated they will employ up to 8 residents fulltime during the environmental remediation process, up to 5 residents fulltime during the demolition process, and approximately 30 fulltime residents for construction. MHDC has estimated 2 additional residents will be employed fulltime by the consultant and development team.

MBE/WBE PARTICIPATION

Mission Housing Development Corporation (MHDC) is a non-profit community-based organization. Its architectural/engineering team is about 30% MBE/WBE including one of the architects, the landscape architect, the electrical engineer, the mechanical engineer, and the hazmat consultant. The general contractor, Nibbi Brothers Construction, is identifying local MBE and WBE contractors who will serve in the role of "first tier subcontractors" to provide major portions of the overall construction work necessary to complete the abatement and demolition work under the PSA.

RECOMMENDATION

Staff recommends adoption of this Resolution.

(Materials prepared by Barbara T. Smith and Steve Haines, Housing Development and Modernization Department)

RESOLUTION NO. 5106

DATE ADOPTED 8/14/03

RESOLUTION TO ADOPT THE ENVIRONMENTAL IMPACT FINDINGS OF THE PLANNING COMMISSION OF THE CITY AND COUNTY OF SAN FRANCISCO AS THE AUTHORITY'S OWN FOR THE VALENCIA GARDENS HOPE VI REVITALIZATION PROGRAM

WHEREAS, the San Francisco Housing Authority (the "Authority") and the United States Department of Housing and Urban Development ("HUD") have executed a HOPE VI Grant Agreement ("Grant Agreement") for $23,230,641 of HOPE VI funds to finance the revitalization of the Valencia Gardens public housing development (the "Development"); and

WHEREAS, as authorized by Commission Resolution No. 4940 adopted on October 26, 2000, the Authority entered into a Memorandum of Understanding, as of November 14, 2000, as amended, ("MOU") and a Predevelopment Loan Agreement, as of November 14, 2000, as amended, with Mission Housing Development Corporation ("MHDC") to rebuild the Development that will include 100% replacement of the 246 public housing units as well as additional residential units, community space, and parking; and

WHEREAS, the Authority is progressing with plans for the reconstruction, financing, operation, and management of the Development; and

WHEREAS, MHDC applied to the City for the land use and zoning approvals necessary to demolish and reconstruct the Development, and in conjunction with that approval the City used the Final Environmental Impact Report For Valencia Gardens, certified by the Planning Commission on June 26, 2003, (the "EIR"), and the findings set forth in Paragraph 8 of the Planning Commission Motion No. 16603 adopted on June 26, 2003 regarding the Project (Case No.2002.0809E), in the form on file with the Commission (the "Findings"), as the appropriate environmental documents under the California Environmental Quality Act ("CEQA"), the approval of which is a prerequisite for submission by the Authority of a Request for Release of Funds to HUD; and

WHEREAS, after consideration of any additional documentation and testimony, the analyses conducted and the conclusions reached in the EIR remain valid and no supplemental environmental review is required.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO THAT:

1. a) In considering the approval of this Resolution, the Authority is serving as a "responsible agency" pursuant to CEQA in implementing the project ("the Actions") evaluated in the EIR. In this capacity, and in compliance with the requirements of Section 15096 of the State CEQA Guidelines (Title 14, Chapter 3 of the California Code of Regulations), the

Authority hereby finds that the EIR is an adequate environmental document for consideration of approval of the Actions, and that the Authority has considered the environmental effects of the Actions as shown in the EIR prior to making its decision regarding the Actions.

b) Also in compliance with the requirements of Section 15096 of the State CEQA Guidelines, the Authority hereby confirms, ratifies, and adopts as its own findings Paragraph 8 of the Findings, including, without limitation, adoption of the mitigation measures and monitoring program contained in the Findings to the extent applicable to the Actions.

c) The Authority hereby finds:

The project as described in the Environmental Impact Report and as preferred by the project sponsor would have the following unavoidable significant environmental impacts which could not be mitigated to a level of nonsignificance:

For the purposes of CEQA, Valencia Gardens is treated in the EIR as an "historical resource." The demolition of Valencia Gardens would then be "deemed significant" per CEQA Section 21084.1. The proposed project would demolish all 22 existing residential buildings and would remove landscaping, sculptures and surface parking on the project site. Demolition would be a significant adverse effect of the proposed project on cultural resources. This potentially significant impact will be reduced, though not eliminated, by the implementation of the mitigation measures identified in the Final EIR.

To the extent not mitigated to a level of insignificance by the mitigation measures identified above and in the Memorandum of Agreement executed by the City and County of San Francisco and the project sponsor, the adverse effects of demolition of the existing Valencia Gardens Housing project are far outweighed by the benefits which the project will provide, in improving and increasing the City's stock of housing affordable to low income and very low income households as described in the MOU. These benefits can only be provided by demolishing the existing structures; there is no economically and physically feasible way of reusing the existing structures.

d) The Authority hereby finds and directs that the applicable mitigation measures and monitoring program set forth in the EIR and/or the Findings have been and will be incorporated into and implemented in connection with the Actions; and, based on the foregoing CEQA considerations, the Executive Director is authorized and directed to file the appropriate notice of determination documents pursuant to CEQA in connection with the Actions.

2. This Resolution shall take effect immediately.

APPROVED AS TO FORM AND LEGALITY:

Donna Martin

DONNA MARTIN, General Counsel

Date 8-7-03

REVIEWED BY:

Gregg Fortner

GREGG FORTNER, Executive Director

Date 8/8/03

EXHIBIT C-1

PLANNING COMMISSION

File No.: 2002.0809E
Valencia Gardens HOPE VI Project
Assessor Block 3546, Lot 2

SAN FRANCISCO
PLANNING COMMISSION
MOTION NO. 166--

ADOPTING FINDINGS RELATED TO CERTIFICATION OF A FINAL ENVIRONMENTAL IMPACT REPORT FOR THE REPLACEMENT CONSTRUCTION OF VALENCIA GARDENS HOPE VI PUBLIC HOUSING IN THE MISSION DISTRICT OF SAN FRANCISCO.

MOVED, That the San Francisco City Planning Commission (hereinafter "Commission") hereby CERTIFIES the Final Environmental Impact Report identified as case file No. 2002.0809E, Valencia Gardens HOPE VI Project, (hereinafter "Project") based upon the following findings:

1) The City and County of San Francisco, acting through the Planning Department (hereinafter "Department") fulfilled all procedural requirements of the California Environmental Quality Act (Cal. Pub. Res. Code Section 21000 et seq., hereinafter "CEQA"), the State CEQA Guidelines (Cal. Admin. Code Title 14, Section 15000 et. seq., (hereinafter "CEQA Guidelines") and Chapter 31 of the San Francisco Administrative Code (hereinafter "Chapter 31").

a. The Department determined that an Environmental Impact Report (hereinafter "EIR") was required and provided public notice of that determination by publication in a newspaper of general circulation on November 9, 2002.

b. On March 22, 2003, the Department published the Draft Environmental Impact Report (hereinafter "DEIR") and provided public notice in a newspaper of general circulation of the availability of the DEIR for public review and comment and of the date and time of the Planning Commission public hearing on the DEIR; this notice was mailed to the Department's list of persons requesting such notice.

c. Notices of availability of the DEIR and of the date and time of the public hearing were posted near the project site by the Project Sponsor on March 21, 2003.

d. On March 22, 2003, copies of the DEIR were mailed or otherwise delivered to a list of persons requesting it, to those noted on the distribution list in the DEIR, to adjacent property owners, and to government agencies.

e. Notice of Completion was filed with the State Secretary of Resources via the State Clearinghouse for the DEIR on March 24, 2003.

2) The Commission held a duly noticed public hearing on said Draft Environmental Impact Report on April 24, 2003 at which time opportunity for public comment was given, and public comment was received on the DEIR. The period for acceptance of written comments ended on April 29, 2003.

3) The Department prepared responses to comments on environmental issues received at the public hearing and in writing during the 38-day public review period for the DEIR and prepared revisions to the text of the DEIR in response to comments received or based on additional information that became available during the public review period. This material was presented in a "Draft Summary of Comments and Responses," published on June 14, 2003, which was distributed to the Commission and to all parties who commented on the DEIR, and was available to others upon request at Department offices.

4) A Final Environmental Impact Report has been prepared by the Department, consisting of the Draft Environmental Impact Report, any consultations and comments received during the review process, any additional information that became available, and the Summary of Comments and Responses all as required by law.

5) Project Environmental Impact Report files have been made available for review by the Commission and the public. These files are available for public review at the Department offices at 1660 Mission Street, and are part of the record before the Commission.

6) On June 26, 2003 the Commission reviewed and considered the Final Environmental Impact Report including the Draft Summary of Comments and Responses, and hereby does find that the contents of said report and the procedures through which the Final Environmental Impact Report was prepared, publicized and reviewed comply with the provisions of CEQA, the CEQA Guidelines and Chapter 31 of the San Francisco Administrative Code.

7) The City Planning Commission hereby does find that the Final Environmental Impact Report concerning File No. 2002.0809E: Valencia Gardens HOPE VI Project reflects the independent judgment of the City and County of San Francisco, is adequate, accurate and objective, and that the Summary of Comments and Responses contains no significant revisions to the Draft Environmental Impact Report, and hereby does CERTIFY THE COMPLETION of said Final Environmental Impact Report in compliance with CEQA and the CEQA Guidelines.

8) The Commission, in certifying the completion of said Final Environmental Impact Report, hereby does find that the project as described in the Environmental Impact Report and as preferred by the project sponsor would have the following unavoidable significant environmental impacts which could not be mitigated to a level of nonsignificance:

a. For the purposes of CEQA, Valencia Gardens is treated in the EIR as an "historical resource." The demolition of Valencia Gardens would then be "deemed significant" per CEQA Section 21084.1. The proposed project would demolish all 22 existing residential buildings and would remove landscaping, sculptures and surface parking on the project site. Demolition would be a significant adverse effect of the proposed project on cultural resources. This potentially significant impact will be reduced, though not eliminated, by the implementation of the mitigation measures identified in the Final EIR.

I hereby certify that the foregoing Motion was ADOPTED by the Planning Commission at its regular meeting of June 26, 2003.

Linda Avery
Commission Secretary

AYES: Commissioners Antonini, Boyd, Hughes, S. Lee

NOES: None

ABSENT: Commissioners Bell, Feldstein and W. Lee

ADOPTED: June 26, 2003

EXHIBIT C-2

MEMORANDUM OF AGREEMENT

between

THE CITY AND COUNTY OF SAN FRANCISCO,

MAYOR'S OFFICE OF HOUSING,

and

THE CALIFORNIA STATE HISTORIC PRESERVATION OFFICER

REGARDING THE DEMOLITION AND RECONSTRUCTION OF VALENCIA GARDENS PUBLIC HOUSING PROJECT AT 340-370 VALENCIA STREET SAN FRANCISCO, CALIFORNIA

WHEREAS, the City and County of San Francisco (City), through the Mayor's Office of Housing, has determined that the demolition and reconstruction of the Valencia Gardens Public Housing Project, 340-370 Valencia Street, San Francisco (Undertaking) will have an effect upon properties listed in or eligible for listing in the National Register of Historic Places (NRHP) (Historic Properties) and has consulted with the California State Historic Preservation Officer (SHPO) pursuant to 36 CFR Part 800, regulations implementing Section 106 Of the National Historic Preservation Act (NHPA) (16 U.S.C. § 470f); and

WHEREAS, the Mission Housing Development Corporation, a non-profit corporation, and the San Francisco Housing Authority (SFHA) (Sponsors) have participated in the consultation and have been invited to concur in this Memorandum of Agreement (MOA); and

WHEREAS, the Sponsors intend to finance the Undertaking with private and public financing, including a $23,230,641 grant of federal funds awarded to SFHA by the United States Department of Housing and Urban Development (HUD) under the federal HOPE VI program authorized under the Departments of Veterans Affairs and HUD, and Independent Agencies Appropriations Act of 1997 (P.L. 104-204); and

WHEREAS, the Director of the Mayor's Office of Housing of San Francisco has been designated by the Mayor as the Agency Official responsible for ensuring compliance with Section 106 of the NHPA; and

WHEREAS, the Agency Official has established the Area of Potential Effects (APE) for the Undertaking, as defined at 36 CFR § 800.16, and as outlined in *Proposed Area of Potential Effect – Historic Resources, Valencia Gardens HOPE VI project, San Francisco, CA*, prepared by Carey & Co., October 1, 2002, based on the *Verification of Historic Significance, Valencia Gardens HOPE VI project, San Francisco, CA*, prepared by Carey & Co., October 1, 2002.

WHEREAS, the Agency Official, with significant public participation as described below, has identified and evaluated Historic Properties located in the APE; and

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WHEREAS, the Sponsors held numerous meetings in the community regarding the Undertaking, including its effect on Historic Properties located in the APE, over a seven (7) year period, beginning Fall, 1996, and continuing through 2003, with various community groups including Valencia Gardens Residents' Council, Valencia Gardens HOPE VI Community Task Force, and the San Francisco Chapter of the American Institute of Architects; and

WHEREAS, the City's Landmarks Preservation Advisory Board (LPAB) held a duly noticed public hearing on April 16, 2003, at which time it considered written and oral testimony in preparing its comments to the Agency Official; and

WHEREAS the City is a Certified Local Government (CLG) pursuant to § 101 of the NHPA and its implementing regulations found at 36 CFR Part 61; and

WHEREAS, in consultation with the City and County of San Francisco Planning Department (Planning Department) and LPAB, the Agency Official has made the following determinations with respect to the effect of the Undertaking on Historic Properties within the APE:

1. The proposed design of the Undertaking would have no adverse effect on the following Historic or potentially Historic Properties:

- San Francisco Armory and Arsenal, 1800 Mission Street, National Historic Landmark,
- Sheet Metal Workers Union Hall, 224 Guerrero Street, a property that may become eligible for inclusion in the NRHP when more historical or architectural research is performed.

2. The demolition of the Valencia Gardens Public Housing Project will have an adverse effect on a district eligible for inclusion in the NRHP; and

WHEREAS, through general notification to property owners in the immediate neighborhood and other parties requesting notice, the Agency Official and the Sponsors have invited the interested public to participate in identification of Historic Properties and the planning of this undertaking by written comment, personal interview and neighborhood meetings, and have duly considered those comments and ideas in the project design; and

NOW, THEREFORE, the Agency Official and the SHPO agree, with concurrence by the Sponsors, that the Undertaking shall be carried out in accordance with the following stipulations in order to take into account the effects of the Undertaking on Historic Properties.

STIPULATIONS

The Agency Official will ensure that the following stipulations are carried out:

1. Design. The Sponsors shall proceed with the conceptual design of the Undertaking based on the Schematic Design for Valencia Gardens HOPE VI, March 17, 2003, prepared by Van Meter Williams Pollack and Martinez Architects Inc.; design was refined on December 2, 2003, and may be refined during the review by the Planning Department and LPAB.

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2. Review. The Sponsors shall provide the Planning Department and LPAB with such drawings and specifications for the Undertaking (including construction of the 290 housing units, a 5,400-square foot (sf) community center, a 3,000-sf computer learning center, a 3,500-sf childcare center, outdoor child play space and other semi-public community open space, and 86 parking spaces) at the 25% and 95% completion level to ensure the proposed Undertaking remains in compliance with the approved plans. The Agency Official shall ensure that changes to the approved plans are forwarded to the Planning Department and LPAB for review and comment. The Planning Department and LPAB will have forty-five (45) days to review the drawings and specifications and to submit comments to the Sponsors.

a. The Agency official shall notify the SHPO as soon as practicable if it appears that any action covered by this MOA may affect a previously unidentified property that may be eligible for inclusion in the NRHP or affect a known Historic Property in an unanticipated manner. The Agency Official shall stop construction in the vicinity of the property and take all reasonable measure to avoid or minimize harm to the property and proceed according to 36 CFR § 800.13(b). If there are unanticipated effects to the San Francisco National Guard Armory and Arsenal, the Agency Official shall request the Advisory Council on Historic Preservation (Council) to participate in any consultation to resolve adverse effects pursuant to 36 CFR § 800. 10.

3. Demolition. Prior to any physical removal of buildings or site features, the Project Sponsor would prepare, or cause to be prepared, documentation of the Valencia Gardens complex. Such documentation would include the precise recording of the structures through measurements, drawings, and photographs and would meet the Historic American Buildings Survey (HABS) recordation standards.

a. The HABS documentation would include the following:

- HABS outline report would be prepared and would include descriptive and historical information on the buildings, the architects, the landscaping, the landscape architect, the sculptures, and the artist. Information from the previous reports prepared, including the Valencia Gardens Draft Historic Significance Evaluation, Carey & Co., 1997, and the Verification of Historic Significance, Valencia Gardens HOPE VI Project, Carey & Co., 2002, would be used to fulfill some of the requirements for descriptive and historical information
- Photographic documentation of the exterior of Valencia Gardens' neighborhood setting, buildings, courtyards, landscape and site features, and sculptures would be prepared.
- Photographic documentation of selected interiors, including a typical dwelling unit, would be prepared. The selected dwelling unit would be appropriately described in the outline report and keyed to the photographs.
- All photographic documentation would follow the HABS Photographic Standards for detail and quality, use of large format photographs and negatives, archival processing, labeling, and sacrificial test prints. Two sets of archival prints and one set of archival negatives would be prepared.

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- Existing architect's drawings of the housing complex would be included in the HABS documentation. Reference would be made in the documentation report to the repository where the drawings are housed.

b. The documentation of Valencia Gardens would be submitted to the following repositories:

- Documentation report, and one set of photographs and negatives, and a copy of the original drawings (identified in the Appendix II of Draft Historic Significance Evaluation of the Valencia Gardens as "Original Drawings for Valencia Gardens on 03-10-41 by Harry A. Thomsen Jr. and William Wilson Wurster") would be submitted to the History Room of the San Francisco Public Library.
- Documentation report would be submitted to the Northwest Information Center of the California Historical Resources Information Resource System.
- Documentation report, one set of photographs, original drawings, and rehabilitation drawings would be submitted to the Wurster, Bernardi & Emmons Collection, 1922-1974, Environmental Design Archives in the College of Environmental Design, University of California, Berkeley. The original drawings are identified in the Appendix II of Draft Historic Significance Evaluation of the Valencia Gardens as "Original Drawings for Valencia Gardens on 03-10-41 by Harry A. Thomsen Jr. and William Wilson Wurster." The rehabilitation drawings are identified as "Renovation Drawings for Kitchens and Bathrooms on 12-28-73 by the Housing Authority of the City and County of San Francisco." Both drawings sets are in the possession of the San Francisco Housing Authority and would be examined by a conservator prior to their donation.
- The documentation report and xerographic copies of the photographs would be submitted to the San Francisco Planning Department for review prior to issuance of any permit that may be required by the City and County of San Francisco for demolition of Valencia Gardens.
- The documentation report and xerographic copies of the photographs would be submitted to the San Francisco Landmarks Preservation Advisory Board.

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4. Incorporation of the Bufano Sculptures. The Project Sponsor, along with the President of the LPAB, would work with the San Francisco Arts Commission to incorporate the Bufano sculptures into the proposed site design. Subject to Arts Commission approval, the Bufano sculptures would be returned to the project site after construction. Prior to removing the sculptures from the site, an art conservator would inspect each sculpture to determine their existing condition. A qualified mover with experience in moving fine art pieces would be contracted to move the sculptures to a storage facility during construction of the proposed project. The storage facility would be one recommended by the art conservator. The same moving company would move the sculptures back, and the art conservator would supervise their placement on the project site.

5. Publicly Accessible Interpretive Display Area. The Project Sponsor would provide a publicly accessible interpretive display area on the project site to include interpretive materials, such as photographs, oral histories, architectural drawings and site plans, and written histories documenting the lives of, and events associated with, past occupants of the Valencia Gardens Housing Project. The interpretive display would also include

information on why the existing Valencia Gardens housing is inappropriate for its current use as discussed in the HOPE VI application section on existing conditions, as well as published articles regarding the design goals of the HOPE VI program, and the design goals developed in the resident design workshops for Valencia Gardens, which together show how social thinking has changed regarding what is now considered appropriate public housing design. The interpretive display would be submitted to the LPAB for review and approval prior to issuance of a final certificate of occupancy for the project. Copies of all interpretive materials shall also be donated to the History Room of the San Francisco Public Library. The LPAB may appoint a liaison to work with the Project Sponsor in directing the research on the interpretive materials.

6. Archeologists. The Sponsor must retain the on-site services of a person meeting the Secretary of the Interior's Professional Qualifications standards for archeology (48 Federal Register 444738-39) who will carry out the testing, evaluation, and data recovery program as outlined in Mitigation Measure 15 on page V-6 of the Valencia Gardens Draft EIR, published March 22, 2003, prepared for the City of San Francisco, and in *Archaeological Research Design and Treatment Plan for the Valencia Gardens HOPE IV Project, December 2002,* prepared by Archeo-Tec.

7. Resolving Concerns. Should any signatory object at any time to the manner in which the terms of this MOA are implemented, the Agency Official shall consult with the objecting party(ies) to resolve the objection. If the Agency Official determines within fifteen (15) days after receipt that such objections cannot be resolved, the Agency Official will forward all documentation relevant to the dispute to the Council in accordance with 36 CFR §§ 800.2(b) and 800.6(b)(2). The Council will provide comments within thirty (30) days after receipt of relevant documentation. The Agency Official, in reaching a final decision regarding the dispute, shall take Council comments, if any, into account. The Agency Official's responsibility to carry out all other actions under this MOA that are not the subject of the dispute will remain unchanged.

8. Implementation. If at any time during implementation of the measures stipulated in this MOA, an objection to the manner of implementation is raised in writing by any member of the public, the Agency Official shall take the objection into account and consult with the objecting party, the Planning Department and the President of the LPAB, as deemed necessary by the Agency Official, for a period not to exceed fifteen (15) days. If the Agency Official is unable to resolve the conflict, the Agency Official will forward all documentation relevant to the dispute to the Council, following the provisions of Stipulation 7, above.

9. Stipulations. If any signatory determines, prior to the termination of this MOA, that any other signatory has failed to carry out the Stipulations in this MOA, it shall notify the other signatories to this MOA and, if applicable under 36 CFR Part 800, invite the participation of the Council to resolve any dispute. Until such dispute has been resolved, no City agency, official, board or commission may take or sanction any action or make any irreversible commitment that could result in the Undertaking having an adverse effect on properties within the APE of the Undertaking which are listed or eligible to be listed on the NRHP, or that would foreclose the Council's participation in the resolution of the dispute.

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10. Amendment. If any of the signatories to this MOA believes that the terms of this MOA cannot be carried out, or that an amendment to the terms of this MOA must be made, that signatory shall immediately notify the other signatories and request consultation to amend this MOA. The process of amending this MOA shall be the same as that exercised in creating the original MOA.

11. Responses of the SHPO and the Council. Failure of the SHPO or the Council to respond within the time limits specified above shall be interpreted as concurrence with the findings proposed in the consultation and shall allow the Agency Official to proceed with the Undertaking.

12. Term. If the terms of either this MOA or the Undertaking have not been carried out within five (5) years following the date of execution of this MOA, the signatories shall reconsider its terms. If the signatories agree to amend this MOA, they shall proceed in accordance with the amendment process referenced in Stipulation 9. The Undertaking will be deemed complete when all of the residential units have been approved for occupancy as evidenced by the issuance of one or more certificates of occupancy. Upon the completion of the Undertaking, the signatories will have no further obligations under this MOA.

13. Signatories. Except as may otherwise be provided in this MOA, the term "signatories" (and "signatory" where applicable) shall include only the Agency Official, the CLG, the SFHA, the SHPO, the Sponsors and their respective successors and assigns

14. Concurring Parties. The concurring parties do not have rights to amend or terminate this agreement. Their signatures show that they are familiar with the terms of the agreement and do not object to it.

Execution of this Memorandum of Agreement by the Agency Official, the CLG, the California SHPO and the Sponsors and implementation of its terms are evidence that the Agency Official has afforded the Council an opportunity to comment on the development and its effects on Historic Properties, and that the Agency Official has taken into account the effects the Undertaking on Historic Properties.

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SIGNATORIES:

THE CITY AND COUNTY OF SAN FRANCISCO,
a Certified Local Government

By: _____ Date: 6/17/03
Gerald Green
Director of Planning, San Francisco
Planning Department

AGENCY OFFICIAL,

By: _____ Date: 6/13/03
Daryl Higashi
Deputy Director, Mayor's Office of Housing

CALIFORNIA STATE HISTORIC PRESERVATION OFFICER,

By: _____ Date: 8/4/03
Dr. Knox Mellon
State Historic Preservation Officer

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Approved as to form:

Dennis Herrera
City Attorney

By: _____ Date: June 11, 2003
Deputy City Attorney

CONCURRING PARTIES:

HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO,
a corporate body public and politic

By: _____ Date: 6/12/03
Gregg Fortner
Executive Director

MISSION HOUSING DEVELOPMENT CORPORATION,
a non profit corporation

By: _____ Date: 6/11/03
Carlos Romero
Executive Director

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EXHIBIT C-3

SAN FRANCISCO
PLANNING COMMISSION
MOTION NO. 16604

ADOPTING FINDINGS RELATING TO CONDITIONAL USE AUTHORIZATION BY THE PLANNING COMMISSION OF A PLANNED UNIT DEVELOPMENT WITH 260 DWELLING UNITS, A COMMUNITY CENTER, A CHILD CARE CENTER, A COMPUTER LEARNING CENTER, AND 87 OFF-STREET PARKING SPACES, WITH EXCEPTIONS FROM REAR YARD, PARKING AND LOADING REQUIREMENTS OF THE PLANNING CODE, ON LOT 002 IN ASSESSOR'S BLOCK 3546, WITHIN AN RM-1 (RESIDENTIAL, MIXED, LOW-DENSITY) USE DISTRICT AND A 40-X AND 50-X HEIGHT AND BULK DISTRICT AND IS WITHN THE MISSION DISTRICT INTERIM CONTROLS AREA.

Preamble

On December 5, 2002, Lisa Pagan, representative of Mission Housing Development Corporation, ("Project Sponsor") filed Application No. 2002.0809C ("Application") with the Planning Department ("Department") for Conditional Use Authorization for a Planned Unit Development ("PUD") under Planning Code Section 304, a childcare facility for 13 or more children under Planning Code Section 209.3(f), and a community facility under Section 209.4(a). This project would include 260 dwelling units, including 42 units designated for senior housing, and would require exceptions from rear yard requirements of Section 134(a)(2), off-street parking requirements of Section 151, and off-street freight loading requirements of Section 152. The project would also require the demolition of the existing buildings on the site.

It was determined by the Department, in accordance with the provisions of the California Environmental Quality Act ("CEQA"), the State Guidelines for the Implementation of CEQA and Chapter 31 of the San Francisco Administrative Code, that the proposed project may have a significant impact on the environment and that an Environmental Impact Report ("EIR") would be required. A Draft EIR was published on March 22, 2003 (Case No. 2002.0809E). The Commission held a public hearing on the Draft EIR on April 24, 2003. The public comment period on the Draft EIR ran from March 22 through April 29, 2003. By its Motion No. ----, the Commission certified as Final the EIR for the project on June 26, 2003.

On June 26, 2003, the Commission conducted a duly noticed public hearing on Application No. 2002.0809C ("Subject Project"), for authorization.

In reviewing the Subject Project, the Commission has had available for its review and consideration studies, case reports, plans, and other materials pertaining to the Project contained in the Department's case files, has reviewed and heard testimony and received materials from interested parties during the public hearings on the Project.

MOVED, that the Commission hereby approves the Conditional Use requested in Application No. 2002.0809C based on the following findings:

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FINDINGS

Having reviewed all the materials identified in the recitals above, and having heard oral testimony and arguments, this Commission finds, concludes, and determines as follows:

1. The Project site is currently improved with a residential complex known as the Valencia Gardens Public Housing Development. This development was designed by William Wurster and built in 1942. It contains 246 units of affordable housing set in 22 three-story buildings arranged in a serpentine pattern among courtyards and with an 86-space surface parking lot along the north side of the site. The units are primarily one- and two-bedroom units resulting in overcrowding among many of the resident families. Besides housing, the development includes community space, a computer learning center, property management facilities, and a childcare facility. Although at the time it was built it was considered a highly innovative approach to housing design, it has not served well as a model for housing, set apart as it is from the surrounding community, and it has become badly deteriorated, having been subjected to graffiti and other vandalism over the years. The entire site is surrounded by an 8-foot high metal fence for security reasons.

2. The subject property is within the Mission District, and the neighborhood surrounding the site is primarily three- to four-story residential buildings along Guerrero, 14th and 15th Streets, and mixed residential and commercial uses along Valencia Street.

3. Planning Code Section 209.3(f) requires Conditional Use Authorization for childcare facilities which provide care for 13 or more children providing less than 24 hour care by licensed personnel. The Project would include a childcare facility of approximately 3,000 square feet for up to 32 children with an adjacent play area of approximately 2,300 square feet. This facility would be available for use by families throughout the neighborhood.

4. Planning Code Section 209.4(a) requires Conditional Use Authorization for community facilities, including neighborhood and cultural centers for the purpose of recreation, cultural, social interaction and education. The Project would provide a computer learning center of approximately 2,000 square feet for use as job training by project residents, with the potential for use by the greater community at a later time.

5. Planning Code Section 304 permits the creation of a Planned Unit Development (PUD) for sites of greater than one-half acre. The Project site is nearly five acres in size. PUDs must be developed as integrated units and designed to produce an environment of stable and desirable character that will benefit the occupants, neighborhood and the City as a whole. Where projects demonstrate outstanding overall design, they may seek exceptions from certain Planning Code provisions. The Project Sponsor is seeking exceptions from the rear yard requirements of Section 134(a)(2), the off-street parking requirements of Section 151, and the freight loading requirements of Section 152.

   A. In the RM-1 District, Planning Code Section 134(a)(2) requires a rear yard equal to 25 percent of the depth of the lot, or approximately 54,000 contiguous square

feet at one end of the lot for the subject site. Because the subject lot has frontage on three streets, with residential buildings throughout the site, the Project Sponsor seeks an exception to this provision under the PUD process and would instead provide approximately 110,000 square feet of rear yard open space between the Project buildings. This open space would include private rear yard spaces for ground floor units, an esplanade running through the site, plus an additional 3,000 square feet of common usable open space within a courtyard off the community center, protected from the streets. Additional private open space would be provided on stoops and upper level decks for certain units. Most units would have access to private open space. The total open space for the Project is twice the Code required rear yard space. Further, the esplanade, the courtyard, the private rear yards, stoops and decks are more accessible for use to Project residents than would a standard Code complying rear yard. As such, the Project warrants a modification from the rear yard requirement.

B. Planning Code Section 151 requires within the RM-1 use district one independently accessible off-street parking space for every standard dwelling unit, one space for every dwelling unit designated for senior housing, one space for each 25 children for a childcare facility, and one space for each eight-seat capacity for community facilities (15 square feet provides space for one seat). The total parking requirement for the project would therefore be 226 spaces. The Project Sponsor seeks an exception to this provision under the PUD process and would instead provide only 87 independently accessible spaces for the dwellings. The site is well-served by public transit with bus service provided along Valencia, Mission, and 16th Streets, and a Muni Metro station at Church and Market and a BART station at 16th Street and Mission, each within two blocks of the Project site. Without the provision of parking, private automobile trips are discouraged and alternatives to automobile travel are encouraged. Further, the existing Valencia Gardens development has for a number of years provided a comparable amount of off-street parking. As such, the Project warrants a modification from the parking requirement.

C. Planning Code Section 152 requires the provision of two off-street freight loading spaces for residential developments between 200,001 and 500,000 square feet. Under the PUD process, the Project Sponsor proposes not to provide any designated off-street loading spaces. The Project is designed to function as a traditional San Francisco residential neighborhood, with low-rise residential rowhouses oriented toward the streets. This orientation would make any designated permanent off-street loading locations useless for all but a few nearby residents. Further, as a residential neighborhood, loading is not likely to occur with much frequency once the units are occupied. As such, the Project warrants a modification from the loading requirement.

6. Per Planning Code Section 303, the Commission may authorize a Conditional Use only after holding a duly noticed public hearing and making the following findings. The Project complies with the criteria of Section 303(c) in that:

A. That the proposed use or feature, at the size and intensity contemplated and at the proposed location, will provide a development that is necessary or desirable for, and compatible with, the neighborhood or the community;

i. The uses included in this proposal are considered desirable and compatible for both the surrounding neighborhood and the City as a whole. San Francisco continues to experience a housing shortage and the Project would provide 260 units of variable sizes, all offered at below market rates. This represents 14 units more than the existing development, and includes more family-size units, with mostly two- and three-bedroom units, compared with the existing development, which is primarily one- and two-bedroom units.

ii. The residents of the Mission District have expressed the need for more community services and the Project would provide a childcare facility for 32 children, and a computer learning center.

B. That such use or feature as proposed will not be detrimental to the health, safety, convenience or general welfare of persons residing or working in the vicinity, or injurious to property, improvements or potential development in the vicinity, with respect to aspects including but not limited to the following:

i. The nature of the proposed site, including its size and shape, and the proposed size, shape and arrangement of structures;

The overall Project would be comparable in both size and appearance with the surrounding development. The Project would consist of 14 three-story buildings, and two four-story buildings, all oriented to face the surrounding or new interior streets and forming a strong street wall, more similar in form to the historic neighborhood pattern. Parking would be provided only along the interior streets.

The buildings along Valencia Street would have a ground story design that would reflect the commercial uses of that street. All other buildings would be residential in character, with stoops separating the residential spaces from the street. The Project would include architectural features such as bay windows, varied rooflines, and varied massing. New street trees would be introduced to create blocks similar to those in the surrounding neighborhood.

ii. The accessibility and traffic patterns for persons and vehicles, the type and volume of such traffic, and the adequacy of proposed off-street parking and loading;

a. All vehicle access to the interior of site would be through a newly created right-of-way running east–west across the north end of

the site from Valencia Street to Guerrero Street. An additional U-shaped "esplanade" would run through the interior of the site. A special pavement pattern on the esplanade would distinguish the drive as pedestrian friendly space, discouraging high speeds. Additional traffic calming measures would include narrowing of the traffic lanes with landscaping and decorative bollards. Parking would be provided along these interior streets in designated areas.

b. The subject property is well served by public transit. Muni bus and train lines run immediately adjacent to the subject property along Valencia, and also along 16th Street and Mission with one or two block of the site. In addition, there are Muni Metro and BART stations within two blocks of the site. The Project would supply 87 off-street parking spaces along the interior streets, compared to 82 surface parking spaces provide in the existing Valencia Gardens.

c. The Project would also provide bicycle parking spaces and two City Carshare parking spaces are located at 16th and Hoff Street, just two blocks from the site.

d. For loading, the Project would allow loading along the interior private streets as needed. Since the Project is primarily residential, loading requirements should be infrequent once the units are initially occupied.

iii. <u>The safeguards afforded to prevent noxious or offensive emissions such as noise, glare, dust and odor</u>;

a. The uses proposed would not generate significant amounts of noxious or offensive emissions that may cause noise, glare, dust, and odor.

b. The Environmental Impact Report has also suggested mitigation measures to minimize any negative effects the proposal may have on its surroundings during construction; these measures are included with the Conditions of Approval.

iv. <u>Treatment given, as appropriate, to such aspects as landscaping, screening, open spaces, parking and loading areas, service areas, lighting and signs; and</u>

a. The Project would provide street trees along all surrounding and interior streets, and a street level landscaped open space near the corner of 15th and Valencia Streets.

b. All service areas throughout the Project site would be completely screened from view.

c. All parking would be within the interior of the site along interior streets, similar to the traditional pattern of development, without the provision of parking garages or surface lots.

d. Lighting would be subtle and primarily limited to the streets.

e. Any signage would be in general conformance with Article 6 of the Planning Code.

C. That such use or feature as proposed will comply with the applicable provisions of this Code and will not adversely affect the Master Plan:

The Project positively contributes to advancing numerous objectives and policies of the General Plan and has no significant conflicts with the objectives and policies of the General Plan, as further discussed in Finding 8 below.

7. In consideration of proposals for Planned Unit Developments under Planning Code Section 304, the Planning Commission shall consider the following standards and criteria in addition to those stated in Section 303(c) of this Code:

A. Affirmatively promote applicable objectives and policies of the Master Plan;

The Project positively contributes to advancing numerous objectives and policies of the General Plan and has no significant conflicts with the objectives and policies of the General Plan, as discussed in Finding 8 below.

B. Provide off-street parking adequate for the occupancy proposed;

As detailed in the Environmental Impact Report, the Project could not cause a substantial increase in parking demand which could not be accommodated by existing parking facilities. It provides an amount of off-street parking comparable to the existing Valencia Gardens, and is designed to discourage automobile ownership and use by minimizing off-street parking availability.

C. Provide open space usable by the occupants and, where appropriate, by the general public, at least equal to the open spaces required by this Code;

While the proposal would not provide the required rear yard setback, it would provide substantially more than the Code-required amount of usable open space and would provide that open space within an interior esplanade, an landscaped courtyard, within private rear yards, protected from the streets and on private decks, locations more suitable for open space than a traditional rear yard, as detailed in Finding 5 above.

D. Be limited in dwelling unit density to less than the density that would be allowed by Article 2 of this Code for a district permitting a greater density, so that the Planned Unit Development will not be substantially equivalent to a reclassification of property;

Residential density for RM-1 use districts is limited to one dwelling unit per 800 square feet of lot area, or 269 units for the subject site. The Project would provide 260 units. No density bonus under the PUD process is required.

E. In R Districts, include commercial uses only to the extent that such uses are necessary to serve residents of the immediate vicinity, subject to the limitations for NC-1 Districts under this Code;

No retail commercial uses are proposed. The childcare, community and learning center are all designed specifically to serve residents of the Project or the immediate vicinity.

F. Under no circumstances be excepted from any height limit established by Article 2.5 of this Code, unless such exception is explicitly authorized by the terms of this Code. In the absence of such an explicit authorization, exceptions from the provisions of this Code with respect to height shall be confined to minor deviations from the provisions for measurement of height in Sections 260 and 261 of this Code, and no such deviation shall depart from the purposes or intent of those sections;

The proposed structure complies with the height limitations set forth by Article 2.5 of the Planning Code and does not seek any exceptions pertaining to height.

G. In NC Districts, be limited in gross floor area to that allowed under the floor area ratio limit permitted for the district in Section 124 and Article 7 of this Code; and

This criterion is not applicable to the subject property's zoning district.

H. In NC Districts, not violate the use limitations by story set forth in Article 7 of this Code.

This criterion is not applicable to the subject property's zoning district.

8. The Project is, on balance, consistent with and will not adversely affect the General Plan. The Project would promote numerous General Plan objectives and policies, as follows:

Residence Element
It would provide well-designed, high-quality permanently affordable housing within an established neighborhood, consistent with Objectives 1, 5, 6 and 12, and Policies 1.4, 5.4, 5.5, 6.3 and 12.4.

It would provide relocation assistance to existing residents and allow for their return, consistent with Objective 14 and Policies 14.1, 14.2, and 14.3.

Urban Design Element
It would provide a development that complements the existing neighborhood street pattern, with buildings that relate to the street and blend in with the surrounding architecture and provide a safe pedestrian friendly streetscape, consistent with Objectives 1, 3 and 4, and Polices 1.2, 1.3, 3.1, 3.2, 3.7, and 4.13.

9. Section 101.1 of the Planning Code establishes eight priority planning policies and requires review of permits for consistency with these policies. Overall, the Project complies with these policies as follows:

A. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses enhanced.

The Project would not provide retail uses, but would provide a learning center that is intended to train Project residents in skills that would enhance job opportunities for residents.

B. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhood.

The Project would enhance the existing housing and neighborhood character by replacing a large residential development that does not relate well to the neighborhood around it, with one that does.

C. That the City's supply of affordable housing be preserved and enhanced.

The Project would have a positive impact on the supply of existing affordable housing by replacing 246 affordable units with 260 units in the proposed development.

D. That commuter traffic not impede Muni transit service or overburden our streets or neighborhood parking.

The subject property is very well served by public transit and City Carshare. The Project would be designed to discourage automobile ownership and use. The Environmental Impact Report has indicated the proposed Project would not substantially increase traffic levels or parking demand, or interfere with transportation systems.

E. That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for resident employment and ownership in these sectors be enhanced.

The proposal would not cause a displacement of an industrial use, and the site is zoned for residential uses. As stated above, the training center is designed specifically to enhance employment opportunities for Project residents by providing them with computer skills.

F. That the City achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake.

The proposed structure would meet all seismic requirements per the Building Code.

G. That landmark and historic buildings be preserved.

This Project would result in the demolition of the Valencia Gardens, a development eligible for consideration as a National Register district. However, both the Department and the Landmarks Board have concurred, that in the interest of the public good, the replacement project should proceed.

H. That our parks and open space and their access to sunlight and vistas be protected from development.

This Project would have no adverse impact on parks or open space areas, or their access to sunlight or views.

10. In certifying the Final EIR, which was the subject of Case No. 2002.0809E, the Commission found that the Project would have a significant effect on the environment in that it would result the permanent loss of the Valencia Gardens buildings that have been determined to be historically significant.

11. The impact described in Finding 10 is significant and unavoidable.

12. Pursuant to CEQA, the Commission considered the following alternatives to the Project described in the Final EIR, which would reduce or avoid the project-specific impact of the Project, and rejects them as infeasible for the following reasons set forth below:

A. Alternative A. Alternative A, the "No Project Alternative" is infeasible for the following reasons:

i. The Project Sponsor would not be able to construct new buildings to provide better quality and additional affordable and family-size residential units and new neighborhood serving child-care and a learning center in the Mission District of San Francisco.

ii. This alternative would not develop a project consistent with the existing urban design character of the area.

iii. It would not develop a project consistent with the planning policy direction of the City and the on-going community planning process, in particular to create additional residential space, including affordable units.

iv. It would not provide pedestrian-oriented ground floor frontage along Valencia Street compatible with the neighborhood commercial uses along that street.

v. It would not meet the San Francisco Housing Authority's (SFHA) or the Mission Housing Development Corporation's goals to provide units types to best meet the needs of families and seniors in affordable housing; to remediate the physical hazards of the existing Valencia Gardens, to blend in with the community, and to improve public housing facilities, amenities, security and ADA access at the site.

vi. It would also cause the SFHA to forfeit HOPE VI funding, awarded by the HUD to revitalize the Valencia Gardens.

B. Alternative B. Alternative B, the "Preservation/Rehabilitation of Existing Buildings Alternative" is infeasible for the following reasons:

i. The Project Sponsor would not be able to construct buildings to provide additional affordable residential units in the Mission District of San Francisco.

ii. This alternative would not develop a project consistent with the Planning policy direction of the City and the on-going community planning process, in particular to create additional affordable residential units.

iii. It would not provide a greater number of larger, family-size units, or units accessible to the disabled.

iv. It would not provide additional space for childcare or space for a computer learning center.

v. It would not provide a Project that is compatible with the surrounding neighborhood in terms of design, size and scale.

13. The following benefits, among others, are generated by the Current Project:

A. The Conditional Use authorization would create 260 new dwelling units, community space, a computer learning center, a childcare facility, and 87 off-street parking spaces provided along the interior private streets.

B. All of the 260 dwelling units would be offered at below market rental rates, adding 14 affordable units to the housing market.

C. The childcare facility would serve Project residents and families from the surrounding neighborhood.

D. The childcare and learning centers would provide an open, pedestrian oriented street frontage along Valencia Street.

E. The proposal would promote numerous objectives and policies of the General Plan relating to Housing and Urban Design.

F. The Project is consistent with the community planning process for the Mission District, which encourages additional family size affordable housing in this area, along with community services.

G. It allows for a comparable amount of parking to be available as the existing development, a parking arrangement that discourages automobile ownership and use and encourages alternative means of transportation.

H. It provides a Project that is designed to be compatible with and relate to the surrounding neighborhood, rather than isolate itself from that neighborhood.

14. Statement of Overriding Consideration: After balancing unavoidable significant and other adverse effects on the environment as identified in the Final Environmental Impact Report, and the benefits of the Project, the Commission concludes that the benefits of the Project outweigh any unavoidable adverse effects on the environment, which are hereby found to be acceptable, and that the social, economic, and environmental benefits of the Project constitute overriding considerations justifying approval.

The Commission finds that granting authorization for the Subject Project would promote the public welfare, convenience, and necessity for the reasons set forth above.

DECISION

The Commission, after carefully balancing the competing public and private interests, and based upon the Findings set forth above, in accordance with the standards specified in the Code, hereby approves the Project Authorization for the demolition of the 22 buildings comprising the Valencia Gardens development and construction of a new PUD including 260 dwelling units, 42 senior units, approximately 5,500 square feet of community space, a computer learning center of approximately 2,000 square feet, a childcare facility for up to 32 children, and 87 off-street parking spaces provided along the interior private streets subject to the conditions of approval attached hereto as Exhibit A, which is incorporated herein by this reference.

I hereby certify that the foregoing Motion was ADOPTED by the Planning Commission on **June 26, 2003.**

Linda Avery
Commission Secretary

AYES: Commissioners Antonini, Boyd, Hughes, and S. Lee

NOES: None

ABSENT: Commissioners Bell, Feldstein and W. Lee

ADOPTED: June 26, 2003

EXHIBIT A

CONDITIONS OF APPROVAL

This approval is pursuant to Sections 303 (Conditional Use) and 304 (Planned Unit Development) for the demolition of the 22 buildings comprising the Valencia Gardens housing development and the construction of a new 16-building development with 260 below market rate dwelling units, with 42 of these units designated for senior citizens, plus a community center of approximately 5,500 square feet, a child care facility of approximately 3,000 square feet with an outdoor play space of approximately 2,300 square feet, a computer learning center of approximately 2,000 square feet, and 87 off-street parking spaces along the interior streets, on a 215,879 square-foot site, in general conformance with the plans dated March 14, 2003 and stamped "Exhibit B".

CONSTRUCTION MONITORING AND MITIGATION

"Mitigation Measures to be Included in the Development", as outlined in the Final Environmental Impact Report (File No. 2002.0809E), shall be conditions of approval and are accepted by the Project Sponsor or successors of interest. If said measures are less restrictive than the following conditions, the more restrictive, as determined by the Zoning Administrator, shall govern. The Valencia Gardens Hope VI Mitigation Monitoring and Reporting Plan is attached as "Exhibit C". These measures are as follows:

Architectural Resources

1. Prior to any physical removal of buildings or site features, the Project Sponsor would prepare, or cause to be prepared, documentation of the Valencia Gardens complex. Such documentation would include the precise recording of the structures through measurements, drawings, and photographs and would meet the Historic American Buildings Survey (HABS) recordation standards. The HABS documentation would include the following:

    - HABS outline report would be prepared and would include descriptive and historical information on the buildings, the architects, the landscaping, the landscape architect, the sculptures, and the artist. Information from the previous reports prepared, including the *Valencia GardensDraft Historic Significance Evaluation*, Carey & Co., 1997, and the *Verification of Historic Significance, Valencia Gardens HOPE VI Project,* Carey & Co., 2002, would be used to fulfill some of the requirements for descriptive and historical information.

    - Photographic documentation of the exterior of Valencia Gardens' neighborhood setting, buildings, courtyards, landscape and site features, and sculptures would be prepared.

    - Photographic documentation of selected interiors, including a typical dwelling unit, would be prepared. The selected dwelling unit would be appropriately described in the outline report and keyed to the photographs.

- All photographic documentation would follow the HABS Photographic Standards for detail and quality, use of large format photographs and negatives, archival processing, labeling, and sacrificial test prints. Two sets of archival prints and one set of archival negatives would be prepared.

- Existing architect's drawings of the housing complex would be included in the HABS documentation. Reference would be made in the documentation report to the repository where the drawings are housed.

2. The documentation of Valencia Gardens would be submitted to the following repositories:

   - Documentation report, and one set of photographs and negatives, and a copy of the original drawings (identified in the Appendix II of Draft Historic Significance Evaluation of the Valencia Gardens as "Original Drawings for Valencia Gardens on 03-10-41 by Harry A. Thomsen Jr. and William Wilson Wurster") would be submitted to the History Room of the San Francisco Public Library.

   - Documentation report would be submitted to the Northwest Information Center of the California Historical Resources Information Resource System.

   - Documentation report, one set of photographs, original drawings, and rehabilitation drawings would be submitted to the Wurster, Bernardi & Emmons Collection, 1922-1974, Environmental Design Archives in the College of Environmental Design, University of California, Berkeley. The original drawings are identified in the Appendix II of Draft Historic Significance Evaluation of the Valencia Gardens as "Original Drawings for Valencia Gardens on 03-10-41 by Harry A. Thomsen Jr. and William Wilson Wurster." The rehabilitation drawings are identified as "Renovation Drawings for Kitchens and Bathrooms on 12-28-73 by the Housing Authority of the City and County of San Francisco." Both drawings sets are in the possession of the San Francisco Housing Authority and would be examined by a conservator prior to their donation.

   - The documentation report and xerographic copies of the photographs would be submitted to the San Francisco Planning Department for review prior to issuance of any permit that may be required by the City and County of San Francisco for demolition of Valencia Gardens.

   - The documentation report and xerographic copies of the photographs would be submitted to the San Francisco Landmarks Preservation Advisory Board.

3. The Project Sponsor would provide a publicly accessible interpretive display area on the project site to include interpretive materials, such as photographs, oral histories, architectural drawings and site plans, and written histories documenting the lives of, and events associated with, past occupants of the Valencia Gardens Housing Project. The

interpretive display would also include information on why the existing Valencia Gardens housing is inappropriate for its current use as discussed in the HOPE VI application section on existing conditions, as well as published articles regarding the design goals of the HOPE VI program, and the design goals developed in the resident design workshops for Valencia Gardens, which together show how social thinking has changed regarding what is now considered appropriate public housing design. The interpretive display would be submitted to the San Francisco Landmarks Preservation Advisory Board for review and approval prior to issuance of a final certificate of occupancy for the project. Copies of all interpretive materials shall also be donated to the History Room of the San Francisco Public Library. The LPAB may appoint a liaison to work with the Project Sponsor in directing the research on the interpretive materials.

4. The Project Sponsor, along with the President of the LPAB, would work with the San Francisco Arts Commission to incorporate the Bufano sculptures into the proposed site design. Subject to Arts Commission approval, the Bufano sculptures would be returned to the project site after construction. Prior to removing the sculptures from the site, an art conservator would inspect each sculpture to determine their existing condition. A qualified mover with experience in moving fine art pieces would be contracted to move the sculptures to a storage facility during construction of the proposed project. The storage facility would be one recommended by the art conservator. The same moving company would move the sculptures back, and the art conservator would supervise their placement on the project site.

Noise

5. The Project Sponsor shall require project construction contractor(s) to pre-drill holes to the maximum depth feasible on the basis of soil conditions. Contractors shall be required to use construction equipment with state-of-the-art noise shielding and muffling devices.

6. The Project Sponsor shall incorporate any noise mitigation measures identified in the Noise Assessment of the Special Environmental Clearance prepared according to HUD regulations (24 CFR Part 51, Subpart B).

Air Quality

7. The Project Sponsor shall require the contractor(s) to spray the site with water during excavation and construction activities; spray unpaved construction areas with water at least twice per day; cover stockpiles of soil, sand, and other material; cover trucks hauling debris, soil, sand or other such material; and sweep surrounding streets during excavation and construction at least once per day to reduce particulate emissions.

8. Ordinance 175-91, passed by the Board of Supervisors on May 6, 1991, requires that non-potable water be used for dust control activities. Therefore, the Project Sponsor would require that the contractor(s) obtain reclaimed water from the Clean Water

Program for this purpose. The Project Sponsor shall require the project contractor(s) to maintain and operate construction equipment so as to minimize exhaust emissions of particulates and other pollutants, by such means as a prohibition on idling motors when equipment is not in use or when trucks are waiting in queues, and implementation of specific maintenance programs to reduce emissions from equipment that would be in frequent use for much of the construction period.

Geology

9. One or more geotechnical investigations by a California-licensed geotechnical engineer are included as part of the project. The Project Sponsor and its contractors shall follow the recommendations of the final geotechnical reports regarding any excavation and construction for the project. The Project Sponsor shall ensure that the construction contractor conducts a pre-construction survey of existing conditions and monitors the adjacent buildings for damage during construction, if recommended by the geotechnical engineer.

10. If dewatering were necessary, the final soils report shall address the potential settlement and subsidence impacts of this dewatering. Based on this discussion, the soils report would determine whether or not a lateral movement and settlement survey should be done to monitor any movement or settlement of surrounding buildings and adjacent streets. If a monitoring survey were recommended, the Department of Building Inspection would require that a Special Inspector (as defined in Article 3 of the Building Code) be retained by the Project Sponsor to perform this monitoring. Instruments shall be used to monitor potential settlement and subsidence. If, in the judgment of the Special Inspector, unacceptable movement were to occur during construction, groundwater recharge shall be used to halt this settlement. The Project Sponsor shall delay construction if necessary. Costs for the survey and any necessary repairs to service lines under the street shall be born by the Project Sponsor.

    If dewatering were necessary, the Project Sponsor and its contractor shall follow the geotechnical engineers' recommendations regarding dewatering to avoid settlement of adjacent streets, utilities, and buildings that could potentially occur as a result of dewatering.

11. The Project Sponsor and its contractor shall follow the geotechnical engineers' recommendations regarding installation of settlement markers around the perimeter of shoring to monitor any ground movements outside of the shoring itself. Shoring systems shall be modified as necessary in the event that substantial movements are detected.

Water Quality

12. If dewatering were necessary, the Project Sponsor shall follow the recommendations of the geotechnical engineer or environmental remediation consultant, in consultation with the Bureau of Environmental Regulation and Management of the Department of Public

Works, regarding treatment, if any, of pumped groundwater prior to discharge to the combined sewer system.

If dewatering were necessary, groundwater pumped from the site shall be retained in a holding tank to allow suspended particles to settle, if this were found to be necessary by the Bureau of Environmental Regulation and Management of the Department of Public Works to reduce the amount of sediment entering the combined sewer system.

13. The Project Sponsor shall require the general contractor to install and maintain sediment traps in local storm water intakes during construction to reduce the amount of sediment entering the combined sewer system, if this were found to be necessary by the Bureau of Environmental Regulation and Management of the Department of Public Works.

Hazards

14. In addition to local, state, and federal requirements for handling hazardous materials and soil and groundwater containing chemical contaminants, the Project Sponsor shall enter into a remedial action agreement with the Department of Public Health pursuant to Health and Safety Code Section 101480 et seq. At a minimum, the Project Sponsor shall undertake the following work and any additional requirements imposed by the Department of Public Health under the agreement if soil samples for waste characterization and disposal acceptance indicate that chemical concentrations in the soil are above any of the U.S. EPA Preliminary Remediation Goals for Residential Soil (PRGs).

- The Project Sponsor shall implement a project specific health and safety plan (HSP) to be used during construction activities. The HSP shall address the safety and health hazards of the project and procedures for the protection of construction workers whom may be in contact with potentially contaminated soil. The HSP shall also specify site control programs, engineering controls, safe work practices, air monitoring requirements, and a description of proper personal protective equipment. The plan shall also include measure to minimize public exposure to potentially contaminated soil (i.e., dust). Such measures would include dust control, appropriate site security, restriction of public access, and posting of warning signs.

  If contaminated soils are encountered during earth-moving activities, these soils shall be disposed of off-site in accordance with California hazardous waste disposal regulations (CCR Title 26) or shall be managed in place with approval of the California Department of Toxic Substances Control (DTSC), the Regional Water Quality Control Board (RWQCB), or the San Francisco Department of Public Health (DPH).

- Prior to any demolition or excavation at the project site the Project Sponsor shall conduct surveys to identify any potentially hazardous materials (e.g., asbestos, lead-based paints, PCBs, mercury) in existing buildings or building materials. At a

minimum, these surveys shall identify any hazardous materials that would require removal and disposal prior to demolition. These surveys shall be completed by a Registered Environmental Assessor or a similarly qualified individual.

- All reports and plans prepared in accordance with this mitigation measure shall be provided to the San Francisco Department of Public Health and any other agencies identified by the Department of Public Health. When all hazardous materials have been removed from existing buildings, and soil and groundwater analysis and other activities have been completed, as appropriate, the Project Sponsor shall submit to the San Francisco Planning Department and the San Francisco Department of Public Health (and any other agencies identified by the Department of Public Health) a report stating that the mitigation measure has been implemented. The report shall describe the steps taken to comply with the mitigation measure and include all verifying documentation. The report shall be certified by a Registered Environmental Assessor or a similarly qualified individual who states that all necessary mitigation measures have been implemented.

Archaeological Resources

15. Based on a reasonable presumption that archeological resources may be present within the project site, the following measures shall be undertaken to avoid any potentially significant adverse effect from the proposed project on buried or submerged historical resources. The Project Sponsor shall retain the services of a qualified archeological consultant having expertise in California prehistoric and urban historical archeology. The archeological consultant shall undertake an archeological testing program as specified herein. In addition, the consultant shall be available to conduct an archeological monitoring and/or data recovery program if required pursuant to this measure. The archeological consultant's work shall be conducted in accordance with this measure and with the requirements of the project archaeological research design and treatment plan (Archeo-Tec., *From Bull Fights to Baseball: Archaeological Research Design and Treatment Plan for the Valencia Gardens HOPE VI Project*, December 2002) at the direction of the Environmental Review Officer (ERO). In instances of any inconsistency between the requirements of the project archaeological research design and treatment plan and of this archaeological mitigation measure, the requirement of the latter shall prevail. All plans and reports prepared by the consultant as specified herein shall be submitted first and directly to the ERO for review and comment, and shall be considered draft reports subject to revision until final approval by the ERO. Archeological monitoring and/or data recovery programs required by this measure could suspend construction of the project for up to a maximum of four weeks. At the direction of the ERO, the suspension of construction can be extended beyond four weeks only if such a suspension is the only feasible means to reduce to a less than significant level potential effects on a significant archeological resource as defined in CEQA Guidelines Sect. 15064.5 (a)(c).

Archeological Testing Program. The archeological consultant shall prepare and submit to the ERO for review and approval an archeological testing plan (ATP). The archeological testing program shall be conducted in accordance with the approved ATP. The ATP shall identify the property types of the expected archeological resource(s) that potentially could be adversely affected by the proposed project, the testing method to be used, and the locations recommended for testing. The purpose of the archeological testing program will be to determine to the extent possible the presence or absence of archeological resources and to identify and to evaluate whether any archeological resource encountered on the site constitutes an historical resource under CEQA.

At the completion of the archeological testing program, the archeological consultant shall submit a written report of the findings to the ERO. If based on the archeological testing program the archeological consultant finds that significant archeological resources may be present, the ERO in consultation with the archeological consultant shall determine if additional measures are warranted. Additional measures that may be undertaken include additional archeological testing, archeological monitoring, and/or an archeological data recovery program. If the ERO determines that a significant archeological resource is present and that the resource could be adversely affected by the proposed project, at the discretion of the Project Sponsor either:

A. The proposed project shall be re-designed so as to avoid any adverse effect on the significant archeological resource; or

B. A data recovery program shall be implemented, unless the ERO determines that the archeological resource is of greater interpretive than research significance and that interpretive use of the resource is feasible.

Archeological Monitoring Program. If the ERO in consultation with the archeological consultant determines that an archeological monitoring program shall be implemented the archeological monitoring program shall minimally include the following provisions:

- The archeological consultant, Project Sponsor, and ERO shall meet and consult on the scope of the AMP reasonably prior to any project-related soils disturbing activities commencing. The ERO in consultation with the archeological consultant shall determine what project activities shall be archeologically monitored. In most cases, any soils-disturbing activities, such as demolition, foundation removal, excavation, grading, utilities installation, foundation work, driving of piles (foundation, shoring, etc.), site remediation, etc., shall require archeological monitoring because of the risk these activities pose to potential archaeological resources and to their depositional context;
- The archeological consultant shall advise all project contractors to be on the alert for evidence of the presence of the expected resource(s), of how to identify the evidence of the expected resource(s), and of the appropriate protocol in the event of apparent discovery of an archeological resource;
- The archeological monitor(s) shall be present on the project site according to a schedule agreed upon by the archeological consultant and the ERO until the ERO

has, in consultation with project archeological consultant, determined that project construction activities could have no effects on significant archeological deposits;

- The archeological monitor shall record and be authorized to collect soil samples and artifactual/ecofactual material as warranted for analysis;
- If an intact archeological deposit is encountered, all soils-disturbing activities in the vicinity of the deposit shall cease. The archeological monitor shall be empowered to temporarily redirect demolition/excavation/pile driving/construction activities and equipment until the deposit is evaluated. If in the case of pile driving activity (foundation, shoring, etc.), the archeological monitor has cause to believe that the pile driving activity may affect an archeological resource, the pile driving activity shall be terminated until an appropriate evaluation of the resource has been made in consultation with the ERO. The archeological consultant shall immediately notify the ERO of the encountered archeological deposit. The archeological consultant shall make a reasonable effort to assess the identity, integrity, and significance of the encountered archeological deposit, and present the findings of this assessment to the ERO.

Whether or not significant archeological resources are encountered, the archeological consultant shall submit a written report of the findings of the monitoring program to the ERO.

Archeological Data Recovery Program. The archeological data recovery program shall be conducted in accord with an archeological data recovery plan (ADRP). The archeological consultant, Project Sponsor, and ERO shall meet and consult on the scope of the ADRP prior to preparation of a draft ADRP. The archeological consultant shall submit a draft ADRP to the ERO. The ADRP shall identify how the proposed data recovery program will preserve the significant information the archeological resource is expected to contain. That is, the ADRP will identify what scientific/historical research questions are applicable to the expected resource, what data classes the resource is expected to possess, and how the expected data classes would address the applicable research questions. Data recovery, in general, should be limited to the portions of the historical property that could be adversely affected by the proposed project. Destructive data recovery methods shall not be applied to portions of the archeological resources if nondestructive methods are practical.

The scope of the ADRP shall include the following elements:

- Field Methods and Procedures. Descriptions of proposed field strategies, procedures, and operations.
- Cataloguing and Laboratory Analysis. Description of selected cataloguing system and artifact analysis procedures.
- Discard and Deaccession Policy. Description of and rationale for field and post-field discard and deaccession policies.

- Interpretive Program. Consideration of an on-site/off-site public interpretive program during the course of the archeological data recovery program.
- Security Measures. Recommended security measures to protect the archeological resource from vandalism, looting, and non-intentionally damaging activities.
- Final Report. Description of proposed report format and distribution of results.
- Curation. Description of the procedures and recommendations for the curation of any recovered data having potential research value, identification of appropriate curation facilities, and a summary of the accession policies of the curation facilities.

Human Remains and Associated or Unassociated Funerary Objects. The treatment of human remains and of associated or unassociated funerary objects discovered during any soils disturbing activity shall comply with applicable State and Federal laws. This shall include immediate notification of the Coroner of the City and County of San Francisco and in the event of the Coroner's determination that the human remains are Native American remains, notification of the California State Native American Heritage Commission (NAHC) who shall appoint a Most Likely Descendant (MLD) (Pub. Res. Code Sec. 5097.98). The archeological consultant, Project Sponsor, and MLD shall make all reasonable efforts to develop an agreement for the treatment of, with appropriate dignity, human remains and associated or unassociated funerary objects (CEQA Guidelines. Sec. 15064.5(d)). The agreement should take into consideration the appropriate excavation, removal, recordation, analysis, custodianship, curation, and final disposition of the human remains and associated or unassociated funerary objects. If the human remains are not Native American, the archaeological consultant will notify the Roman Catholic Archdiocese of San Francisco who will be afforded a reasonable time to make recommendations to the Project Sponsor and consultant for the treatment and disposition of the remains and associated burial items. Following consultation with the Roman Catholic Archdiocese, a procedure for the treatment of non-Native American human remains and associated burial items that may include the preservation, removal, analysis, curation, or reinternment of the human remains and/or associated burial items will be formulated and implemented.

Final Archeological Resources Report. The archeological consultant shall submit a Draft Final Archeological Resources Report (FARR) to the ERO that evaluates the historical significance of any discovered archeological resource and describes the archeological and historical research methods employed in the archeological testing/monitoring/data recovery program(s) undertaken. Information that may put at risk any archeological resource shall be provided in a separate removable insert within the final report.

Once approved by the ERO, copies of the FARR shall be distributed as follows: California Archaeological Site Survey Northwest Information Center (NWIC) shall receive one (1) copy and the ERO shall receive a copy of the transmittal of the FARR to the NWIC. The Major Environmental Analysis division of the Planning Department shall receive three copies of the FARR along with copies of any formal site recordation forms (CA DPR 523 series) and/or documentation for nomination to the National Register of Historic Places/California Register of Historical Resources. In instances of high public

interest in or the high interpretive value of the resource, the ERO may require a different final report content, format, and distribution than that presented above.

DESIGN

16. The final plans shall meet the standards of the Planning Code and be in general conformity with the plans approved by the Commission on June 26, 2003 as Exhibit B found in the Case docket.

17. The Project Sponsor shall continue to work with the Planning Department to further develop and refine the design. Final detailed building plans shall be reviewed and approved by the Planning Department before issuance of the first addendum to the site permit. Detailed building plans shall include a final site plan, unit plans, elevations, sections, landscape plan, choice of finish materials and colors, and details of construction.

18. Space for the collection and storage of trash/recycling shall be provided within screened areas on the property. Space for the collection and storage of recyclable materials that meets the size, location, accessibility and other standards specified by the San Francisco Recycling Program, shall be provided at the ground level of the Project.

19. Any proposed signage will be in general conformance with Article 6 of the Planning Code.

20. There shall be no general advertising signs on the property.

STREETS AND SIDEWALKS

21. All private streets shall be provided and maintained in a manner acceptable to the San Francisco Departments of Parking and Traffic, Public Works and the Fire Department.

22. The applicant shall request from the Department of Parking and Traffic, two passenger loading and drop-off (white) zones in front of the childcare center along Valencia Street. These white zones shall be effective only during the peak period for pick up and drop off, limited to a maximum of two hours in the morning and two hours in the afternoon, after which these zones would be available for regular parking.

23. The Project shall provide at least 87 parking spaces for the exclusive use by Project residents. The Project Sponsor shall initiate a permit parking system to restricting use of these off-street parking spaces to Project residents.

24. The resident project management shall monitor use of the Project streets to ensure that derelict or abandoned vehicles are promptly removed.

25. The Project Sponsor shall be responsible for maintaining all Project facilities, including all sidewalks both within and adjacent to the Project site, clean and free of litter and graffiti.

26. In fulfillment of the requirements of Section 143 of the Planning Code, one street tree shall be provided for each 20 feet of street frontage along public and private streets within and surrounding the Project site, except where driveways or utilities do not permit.

PERFORMANCE

27. The Project Sponsor shall appoint a community liaison officer to deal with issues of concern to the owners and occupants of nearby properties at all times during Project construction. Prior to the commencement of Project construction, the Project Sponsor shall give the Zoning Administrator and the owners of properties within 300 feet of the Project site boundaries written notice of the name, business address and telephone number of the community liaison.

28. Prior to the issuance of any new or amended building permit for the construction of the Project, the Zoning Administrator shall approve and order the recordation of a notice in the Official Records of the Recorder of the City and County of San Francisco, which notice shall state that construction of the Project has been authorized by and is subject to the conditions of this Motion. From time to time after the recordation of such notice, at the request of the Project Sponsor or the successor thereto, the Zoning Administrator shall affirm in writing the extent to which the conditions of this Motion have been satisfied.

29. This authorization is valid for a period of three years from the date of approval by the Planning Commission. In the case where delays have been caused by a government agency or legal action, time shall be tolled and the authorization extended for such period by the Zoning Administrator.

30. Failure to comply with these Conditions of Approval shall be grounds for revocation of the conditional use authorization. Should the Project result in complaints from neighbors that are not resolved by the Project Sponsor and are subsequently reported to the Zoning Administrator and found to be in violation of the Planning Code and/or the specific Conditions of Approval contained in this Exhibit A of this motion, the Zoning Administrator shall report such complaints to the Planning Commission which may thereafter hold a public hearing on the matter in accordance with the hearing notification and conduct procedures in Planning Code Section 174, 306.3 and 306.4 to consider revocation of this Conditional Use Authorization. The subject authorization shall otherwise be reviewed administratively by the Planning Department one year from the effective date of approval.

EXHIBIT C-4

RESOLUTION NO. 4940

DATE ADOPTED: 10/26/00

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A DEVELOPER PARTNER MOU AND PREDEVELOPMENT LOAN AGREEMENT WITH MISSION HOUSING DEVELOPMENT CORPORATION (MHDC) FOR THE REVITALIZATION OF THE VALENCIA GARDENS PUBLIC HOUSING SITE UNDER THE HOPE VI PROGRAM, REVIEW AND APPROVE A DETAILED PROJECT PROPOSAL AND NEGOTIATE A DEVELOPMENT AND DISPOSITION AGREEMENT FOR THE VALENCIA GARDENS REVITALIZATION

WHEREAS, the San Francisco Housing Authority Board of Commissioners adopted Determination and Order #133 on July 12, 1997 authorizing the Executive Director to negotiate with Mission Housing Development Corporation (MHDC), a non-profit affordable housing development, for the purpose of revitalizing the Valencia Gardens Development; and

WHEREAS, the San Francisco Housing Authority Board of Commissioners adopted Determination and Order #131 on July 12, 1997 authorizing the Executive Director to submit the Valencia Gardens HOPE VI Application for an Implementation Grant; and

WHEREAS, HUD awarded the SFHA with $23,230,641 in HOPE VI Grant funds for the revitalization of Valencia Gardens and a Valencia Gardens Ancillary Site; and

WHEREAS, the SFHA and MHDC have undergone extensive negotiations that have resulted in a mutually beneficial and agreeable outline of terms for the negotiation of the Development and Disposition Agreement for the Valencia Gardenia revitalization; and

WHEREAS, except for detailed obligations stated therein, the parties intend that this MOU and Predevelopment Loan agreement constitute the common understanding of the framework within which they will conduct further negotiations with the intention of resulting in the Development Disposition Agreement and related agreements for the Valencia Gardens HOPE VI revitalization program;

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO, THAT:

1. The Executive Director is authorized to enter into a Memorandum of Understanding with Mission Housing Development Corporation; and

2. The Executive Director is authorized to enter into and execute a Predevelopment Loan Agreement, Promissory Note, and Assignment

Agreement, and may execute such other documents and take such other actions as he deems necessary to effect the transactions described above or contemplated in this resolution, subject to required HUD approvals and the approval of SFHA legal counsel; and

3. The Executive Director is authorized to review and approve the selection of a Valencia Gardens HOPE VI Ancillary site location and program.

4. This Resolution shall take effect immediately.

APPROVED AS TO FORM AND LEGALITY:

CARL L. WILLIAMS, General Counsel

Date 10-20-00

REVIEWED BY:

RONNIE DAVIS, Executive Director

Date 10/20/2000

D

SAN FRANCISCO HOUSING AUTHORITY
440 Turk Street • San Francisco CA • 94112 • (415) 554-1200

DATE: **August 8, 2003**

TO: **SAN FRANCISCO HOUSING AUTHORITY COMMISSIONERS**

Sululagi Palega, Sr., President
Julie Lee, Vice President
George R. Brown, Commissioner
Betty J. Smith, Commissioner
Andrew J. Clark, Commissioner
Neola Gans, Commissioner
Rev. George Woodruff, Commissioner

FROM: **Gregg Fortner, Secretary/Executive Director**

SUBJECT: **RESOLUTION TO AUTHORIZE THE EXECUTIVE DIRECTOR TO ENTER INTO A PRECONSTRUCTION SERVICES AGREEMENT (PSA) FOR THE PURPOSES OF CLEARING THE VALENCIA GARDENS SITE USING HOPE VI GRANT FUNDS NOT TO EXCEED $3,365,844**

OVERVIEW

This resolution requests that you take action that is essential for beginning the revitalization of the Valencia Gardens public housing site, starting immediately with remediation and demolition and preparing for building construction at which time additional Commission authorizations will be required. These action that the Commission is being asked to approve is to authorize the Executive Director to enter into a Preconstruction Services Agreement (PSA) for the purposes of clearing the Valencia Gardens site using HOPE VI Grant funds not to exceed $3,365,844.

PROCUREMENT

The procurement process for the action covered by this Resolution meets the procurement standards of 24 CFR 85.36 "Procurement", HUD Handbook 7460.8 REV 1, "Procurement Handbook for Public Housing Agencies and Indian Housing Authorities", the San Francisco Housing Authority Procurement Policy Manual and the State of California and local laws.

The Authority solicited responses to an RFP on May 28, 1997, requesting interested developers to submit proposals for the demolition and redevelopment of Valencia Gardens. In October 2000, the Commission authorized the Executive Director to negotiate a Developer Partner MOU and Predevelopment Loan Agreement with the highest ranked development team, Mission Housing Development Corporation (MHDC).

As the Authority's developer partner procured under 24 CFR 85.36, MHDC procurements are now under the HUD procurement standards of 24 CFR Part 941, "Public Private Partnerships for the Mixed Finance Development of Public Housing Units". Following these procurement standards, MHDC, in consultation with the Authority and Valencia Gardens residents, selected a design team of architects and engineers led by Van Meter Williams Pollack, and selected Nibbi Brothers Construction as General Contractors. Upon execution of the PSA, MHDC will proceed with the selection of the lowest qualified bidders for the remediation, demolition and environmental mitigation measures enumerated in the PSA.

OBJECTIVES

This resolution provides the Commission's authorization for the execution of the Preconstruction Services Agreement (ATTACHMENT 1), thereby allowing the commencement of pre-construction activities including the remediation of hazardous materials, the demolition of the existing Valencia Gardens development structures, removal of existing foundations and utilities, shoring, site stabilization, and environmental mitigation measures.

PRESENT SITUATION

MHDC and its design team, working with the Valencia Gardens residents and Authority staff, have prepared schematic designs, design development documents and demolition plans. These designs have been approved by the City of San Francisco Planning Commission through the granting of a Conditional Use Authorization on June 26, 2003 (ATTACHMENT 2).

There have been a number of prior Commission actions in preparation for the Valencia Gardens revitalization. In October of 2000, the Commission authorized the Executive Director to enter into a Memorandum of Understanding (MOU) and Predevelopment Loan Agreement with MHDC, review and approve a detailed project proposal, and negotiate a Development and Disposition Agreement for the Valencia Gardens Revitalization (ATTACHMENT 3).

The Commission authorized the expenditure of up to $3,052,046 for the predevelopment related activities to support the project. Since that time, the following has been accomplished:

- Representatives of residents, neighborhood associations, Authority staff and MHDC have scheduled regular meetings to discuss the revitalization plans and progress.
- MHDC has engaged a construction contractor to provide value engineering, construction cost estimating, and competitive bidding for demolition and construction.
- MHDC development of MBE/WBE participation plan and Resident Hiring Plan.
- Relocation of all residents from the Valencia Gardens site.
- Completed state (CEQA) environmental reviews and approval.
- Completed all of the Federal NEPA review except request for release of funds expected by late August 2003.
- Submittal of the Demolition Permit Application for City approval in mid-August 2003.
- Obtained unanimous San Francisco Planning Commission approval for the Conditional Use Authorization for Valencia Gardens revitalization on June 26, 2003.
- Developer Bidding of the Hazardous Material Remediation and Demolition Contract with a pending Notice to Proceed on September 2, 2003.

Project Schedule

Upon Commission approval and the Authority's execution of a Preconstruction Services Agreement with MHDC, remediation and demolition will begin promptly, as early as September 4, 2003. Construction on the new development is expected to begin in September 2004, subject to the date of the closing of all financing. The new development is expected to be ready for occupancy beginning in July 2005. The entire redevelopment process is scheduled for completion by December 2005. The detailed PSA schedule is attached as Exhibit B to the PSA.

ANTICIPATED OUTCOME

Adoption of this resolution will allow the developer to contract for and complete the preparation of the site for the start of new construction.

WHO BENEFITS

The Conditional Use Authorization of the Planning Commission represent consensus on a significant effort by the Valencia Gardens residents, the Valencia Gardens Resident Council, the MHDC and Authority staffs, and the Valencia Gardens HOPE VI Community Task Force. The Valencia Gardens residents, the Mission District neighborhood as a whole, and the Authority will benefit from the successful revitalization of the Valencia Gardens development.

The Preconstruction Services Agreement allows this development to move forward expeditiously with the necessary abatement, demolition and environmental mitigation measures required prior to construction of the new development.

BUDGET CONSIDERATIONS

The $3,365,844 is an appropriate use of HOPE VI funds for the demolition of the existing structures. Any budgeted funds in excess of funds necessary in order to complete all of the preconstruction work described below will be retained and combined with other leveraged funds for construction of the new improvements. A detailed budget is attached as Exhibit C to the PSA.

RESIDENT HIRING

MHDC and the Authority have begun outreach for residents with priority for Valencia Gardens residents. The initial focus includes job positions with the development team and the demolition/ hazardous material abatement sub-contractor. To meet and exceed the Commission's 25% resident hiring requirements contained in Resolution 4967, the resident hiring will be directed by MHDC's Resident Hiring Coordinator under a Resident Hiring Plan (ATTACHMENT 4) agreed by the Authority, and will be monitored by the Authority's Contracting Officer using Appendix to 24 CFR Part 135, Examples of Efforts to Offer Training and Employment Opportunities to Section 3 Residents.

MHDC's general contractors have estimated they will employ up to 8 residents fulltime during the environmental remediation process, up to 5 residents fulltime during the demolition process, and approximately 30 fulltime residents for construction. MHDC has estimated 2 additional residents will be employed fulltime by the consultant and development team.

MBE/WBE PARTICIPATION

Mission Housing Development Corporation (MHDC) is a non-profit community-based organization. Its architectural/engineering team is about 30% MBE/WBE including one of the architects, the landscape architect, the electrical engineer, the mechanical engineer, and the hazmat consultant. The general contractor, Nibbi Brothers Construction, is identifying local MBE and WBE contractors who will serve in the role of "first tier subcontractors" to provide major portions of the overall construction work necessary to complete the abatement and demolition work under the PSA.

RECOMMENDATION

Staff recommends adoption of this Resolution.

(Materials prepared by Barbara T. Smith and Steve Haines, Housing Development and Modernization Department)

RESOLUTION NO. 5107

DATE ADOPTED 8/14/03

RESOLUTION TO AUTHORIZE THE EXECUTIVE DIRECTOR TO ENTER INTO A PRECONSTRUCTION SERVICES AGREEMENT (PSA) FOR THE PURPOSES OF CLEARING THE VALENCIA GARDENS SITE USING HOPE VI GRANT FUNDS NOT TO EXCEED $3,365,844

WHEREAS, the San Francisco Housing Authority (the "Authority") and the United States Department of Housing and Urban Development ("HUD") have executed a HOPE VI Grant Agreement ("Grant Agreement") for $23,230,641 of HOPE VI funds to finance the revitalization of the Valencia Gardens public housing development (the "Development"); and

WHEREAS, as authorized by Commission Resolution No. 4940 adopted on October 26, 2000, the Authority entered into a Memorandum of Understanding, as of November 14, 2000, as amended, ("MOU") and a Predevelopment Loan Agreement, as of November 14, 2000, as amended, with Mission Housing Development Corporation ("MHDC") to rebuild the Development that will include 100% replacement of the 246 public housing units as well as additional residential units, community space, and parking; and

WHEREAS, the Authority is progressing with plans for the reconstruction, financing, operation, and management of the Development; and

WHEREAS, it is necessary to commence remediation of any hazardous substances on the property and demolition of the existing buildings and site (the "Preconstruction Work") in order to prepare the site for construction of the new development; and the Authority desires to retain MHDC to perform or contract for the performance of the Preconstruction Work necessary to construct the new improvements in Valencia Gardens; and

WHEREAS, the Authority desires to fund the Preconstruction Work in an amount not to exceed $3,365,844 from the HOPE VI grant committed to the Authority by HUD under the Grant Agreement; and the Authority and MHDC desire to enter into a Preconstruction Services Agreement ("PSA") in substantially the form filed with the Commission, in order to provide for the duties and responsibilities of MHDC in connection with the Preconstruction Work and to provide for funding of such work by the Authority, in accordance with the budget and schedule which are attached thereto; and

WHEREAS, MHDC applied to the City for the land use and zoning approvals necessary to demolish and reconstruct the Development, and in conjunction with that approval the City used the Final Environmental Impact Report For Valencia Gardens, certified by the Planning Commission on June 26, 2003, (the "EIR"), and through the granting of a Conditional Use Authorization on June 26, 2003, has approved these designs.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO THAT:

1. The Executive Director is authorized to execute a Preconstruction Services Agreement with MHDC in substantially the same form as filed with the Commission to allow the Preconstruction Work on the Development to commence, using HOPE VI grant funds not to exceed $3,365,844.

2. The Executive Director of the Authority, or his designee, is authorized to take such actions as may be necessary to implement the Preconstruction Services Agreement.

3. This Resolution shall take effect immediately.

APPROVED AS TO FORM AND LEGALITY:

DONNA MARTIN, General Counsel

Date 8-8-03

REVIEWED BY:

GREGG FORTNER, Executive Director

Date 8/8/03

EXHIBIT D-1

PRECONSTRUCTION SERVICES AGREEMENT

This Preconstruction Services Agreement (the "Agreement") is entered into as of this _____ day of _____, 2003 by and between the Housing Authority of the City and County of San Francisco, a public body corporate and politic, (the "Authority") and Mission Housing Development Corporation, a California nonprofit public benefit corporation, (the "Construction Manager") with reference to the following facts:

A. The Authority owns the property and the improvements located in the City and County of San Francisco(the "City") commonly known as the Valencia Gardens public housing project, located between Valencia and Guerrero Streets and between 14th and 15th Streets, as more particularly described in Exhibit A (the "Property").

B. The Property is a public housing development consisting of 246 rental units. All residents have been voluntarily relocated and the site is unoccupied.

C. The Construction Manager was selected by the Authority in accordance with U.S. Department of Housing and Urban Development ("HUD") procurement requirements described at 24 CFR 941.602 to be the developer of the Valencia Gardens project, a mixed-finance, mixed income residential development on the Property (the "Development").

D. The Authority desires that the Construction Manager perform certain Preconstruction Work, consisting of Bid Phase Work and Demolition Phase Work (as defined below), and the Construction Manager desires to perform, for a fixed fee, such Preconstruction Work for the Authority, including contracting for the demolition of the buildings and improvements on the Property ("Existing Improvements"), as provided herein.

E. The Authority desires to grant the Construction Manager, along with the contractors who will perform portions of the Preconstruction Work, a right of entry to enter the Property to perform the Preconstruction Work, as set forth below.

NOW, THEREFORE, in consideration of the recitals hereof, and other mutual promises contained herein, the Authority and the Construction Manager agree as set forth below.

Section 1. Purpose.

The purpose of this Agreement is to set forth the obligations and responsibilities of the Construction Manager to complete the Preconstruction Work on the Property, which includes the Bid Phase Work and the Demolition Phase Work, in accordance with the terms of this Agreement.

The Construction Manager shall perform the Preconstruction Work, subject to the terms and conditions of this Agreement; (i) within the time periods provided by the Preconstruction Work Schedule (the "Schedule"), attached hereto as Exhibit B subject to force majeure, and (ii)

within the budgetary framework established in a budget submitted to, and approved by, the Authority, and attached to this Agreement as Exhibit C (the "Approved Budget").

Section 2. Preconstruction Work.

The Construction Manager shall perform or shall caused to be performed the Preconstruction Work as provided in this Section 2. The Preconstruction Work consists of the Bid Phase Work and the Demolition Phase Work as defined below:

(a) The Bid Phase Work shall consist of:

(i) Obtaining pricing from the general contractor, Nibbi Brothers Construction (the "General Contractor") for the:

(1) Removal and disposal of any Hazardous Materials (as defined below) from the Existing Improvements;
(2) Demolition and removal of all Existing Improvements and contents;
(3) Testing, removal and disposal of designated contaminated soil on the Property;
(4) Geotechnical stabilization, compaction and rough grading of the Property; and
(5) Trenching support services for archaeological testing program on the Property.

(ii) Negotiating and entering into a stipulated sum contract with the General Contractor to carry out the work identified under Section 2(a)(i) herein, which construction contract shall be subject to the Authority's review and approval. If the Construction Manager is unable to negotiate a stipulated sum contract, it shall notify the Authority and seek the Authority's approval for an alternative contract mechanism (such as a cost plus contract).

(iii)Obtaining pricing from contractors (the "Other Contractors") for the following demolition environmental mitigation measures:

(1) Removal, restoration and temporary storage of Bufano sculptures on loan from the San Francisco Art Commission; and
(2) Implementation of the Archaeological Research, Design and Treatment Program, as set forth in the Conditions of Approval of the Conditional Use Authorization approved for the Development on June 26, 2003 by the Planning Commission of the City and County of San Francisco.

(iv)Negotiating and entering into stipulated sum contracts with the Other Contractors to carry out the work identified under Section 2(a)(iii) herein, which construction contracts shall be subject to the Authority's review and approval. If the Construction Manager is unable to negotiate a stipulated sum contract, it shall notify the Authority and seek the Authority's approval for an alternative contract mechanism (such as a cost plus contract).

(b) The Demolition Phase Work shall consist of

(i) causing the General Contractor and the Other Contractors (collectively, the "Contractors") to perform the construction work described in 2(a) above by the time set forth in the Schedule, and in the amounts set forth in the Approved Budget, and

(ii) providing the Construction Management Services described in Section 3 below for the contracts with the Contractors executed by the Construction Manager (the "Contracts").

Section 3. Construction Management Services.

The Construction Manager shall provide the following Construction Management Services in connection with the Contracts:

(a) The Construction Manager shall provide for administration of the Contracts.

(b) The Construction Manager shall coordinate scheduled activities and responsibilities of the contractors with each other and the Construction Manager to ensure that the Preconstruction Work in performed in accordance with the Contracts, the Approved Budget, and the Schedule.

(c) The Construction Manager, or the general contractor, shall schedule and conduct meetings, as the Construction Manager deems appropriate to discuss such matters as procedures, progress and scheduling. The Construction Manager shall prepare and promptly distribute minutes to the Authority. Upon request, the Authority shall be notified of these meetings and shall have the right to attend.

(d) The Construction Manager shall update the Schedule, based on the construction schedules provided by the contractors. If an update indicates that the Schedule may not be met, the Construction Manager shall recommend corrective action to the Authority.

(e) The Construction Manager shall coordinate the sequence of construction and assignment of space in areas where the contractors are performing work, consistent with the various bidding documents of the Contracts and other information provided by the contractors.

(f) The Construction Manager shall require that all construction contracts for any of the Preconstruction Work include a provision requiring a safety program. The Construction

Manager shall review and approve the safety programs developed by each of the contractors, and shall coordinate the safety programs with those of the other contractors. The Construction Manager's responsibilities for coordination of safety programs shall not extend to direct control over, or charge of, the acts or omissions of the contractors or their subcontractors, agents or employees, or any other persons performing portions of the Preconstruction Work who are not directly employed by the Construction Manager.

(g) The Construction Manager shall record the progress of the Preconstruction Work and shall submit written progress reports monthly to the Authority, including information on each contractor and each contractor's work, as well as the entire Preconstruction Work, showing percentages of completion.

(h) The Construction Manager shall provide for the maintenance at the project site and to the Contracts and Procurement Division of the Management Service and Support Department of the SFHA one record copy of all Contracts, specifications, addenda, change orders and other modifications, in good order and marked currently to record changes and selections made during construction. The Construction Manager shall make all such records available to the Authority. Upon completion of the Preconstruction Work, the records shall be delivered to the Authority.

(i) Duties, responsibilities and limitations of authority of the Construction Manager as set forth in Sections 2 and 3 shall not be restricted, modified or extended without written consent of the Authority, which consent shall not be unreasonably withheld. Any request for such consent shall be submitted in writing to the respective entity at the address provided herein. Such request shall be deemed approved if not responded to in writing within ten (10) business days of notification and receipt by the Executive Director of the SFHA.

(j) The Construction Manager shall ensure that each of the Contracts includes a provision giving the Authority the right, at its discretion, to assume all contracts entered into by the Construction Manager pursuant to this Agreement, in the event that this Agreement is terminated.

Section 4. License to Enter.

The Authority hereby grants to the Construction Manager and its contractors a license to enter the Property for the purpose of performing the Preconstruction Work; subject to the condition precedent that prior to the commencement of the Demolition Phase Work, the Construction Manager shall have obtained all applicable building and other permits, licenses, and governmental approvals required to commence the Demolition Phase Work.

Section 5. Termination of Agreement.

This Agreement shall terminate upon the earlier of (i) the transfer of the Property to the Construction Manager, or its affiliate, (the "Closing"), (ii) an uncured default under this Agreement, the Predevelopment Loan Agreement dated _____,2000 between the Authority and the Construction Manager, as amended, or any other agreement between the parties relating to the development of the Property, which default remains uncured after notice and an opportunity to cure has been given pursuant to Section 21, or (iii) the Authority's written acceptance of the Preconstruction Work as completed. This Agreement may also be terminated by the Construction Manager, with ten (10) days written notice, for the nonpayment of amounts due from the Authority under Section 10 of this Agreement. Notwithstanding the foregoing, if the Authority decides to discontinue the Preconstruction Work at any time, the Authority may give ten (10) days written notice to the Construction Manager and may terminate this Agreement. If this Agreement is terminated by the Authority prior to completion of the Preconstruction Work, the Authority shall pay the Construction Manager for any Preconstruction Work already performed and unpaid in accordance with Section 10 below, and the portion of the Construction Management Fee due as of the date of termination.

Section 6. Work Pursuant to Contracts.

The Construction Manager shall cause the work under the Contracts to be performed in accordance with the terms and conditions of the Contracts and the City's permits and approvals, the Schedule and Approved Budget; provided, however, that the Construction Manager may request an amendment to the Schedule or the Approved Budget if the Construction Manager deems it to be warranted, which request shall not be unreasonably withheld or delayed. Representatives of the Authority shall have the right to inspect and monitor the Preconstruction Work at reasonable times; provided, however, that the Authority shall not bear any liability or responsibility for the Preconstruction Work as a result of its review, approval or monitoring.

Each Contract entered into by the Construction Manager pursuant to the terms of this Agreement shall provide (1) that the Authority is a third-party beneficiary of such Contract, (2) that the Contractor may seek payment under such Contract only from the Authority and not from the Construction Manager, and (3) that all requests for payment under such Contract shall be made in accordance with the procedure set forth in Section 10 of this Agreement.

Section 7. Change in Contracts.

If the Construction Manager desires to make a change in a Contract, which increases or decreases the amount of such Contract by at least $20,000 ("Change Order"), the Construction Manager shall submit the proposed Change Order, or any expenditure of Contingency Funds or contingency funding from this contract or contracts supported by or resulting from this Preconstruction Services Agreement to the Executive Director of the SFHA for approval. The Executive Director shall either approve or disapprove such proposed Change Order within ten (10) business days of receipt, and if not approved or disapproved in that period, such proposed Change Order shall be deemed approved. If the Change Order is approved, the Construction

Manager will notify the Finance Department of the SFHA within five (5) business days of the amount and nature of the change. If a proposed Change Order is disapproved, the previously approved Contract shall continue to remain in full force and effect. The Authority's approval of Change Orders shall not be unreasonably withheld. If required by City ordinance, the Construction Manager shall also submit any proposed Change Order to the City for its approval. The Construction Manager shall promptly notify the Authority in writing of any other material changes in the Contracts.

Notwithstanding the foregoing, if, during the course of the Preconstruction Work, the Construction Manager determines that a Change Order is necessary and, because of an emergency circumstances, which would constitute a health or safety hazard, it must be implemented prior to completion of the Authority's ten (10)-day review period, the Construction Manager shall immediately notify the Executive Director of the SFHA, by fax, telephone, and electronic mail, of the impending Change Order. Failure of the Executive Director, to respond within three (3) business days shall be deemed approval of the Change Order. Within ten (10) business days of approval of the Change Order, the Construction Manager shall provide sufficient information that details the nature of the emergency and the immediate steps taken by the Construction Manager to mediate the emergency to the Executive Director. The Construction Manager shall not be responsible for increased costs or schedule delays resulting from approved Change Orders, except to the extent that such changes are due to negligence or intentional misconduct of the Construction Manager, its employees, contractors, affiliates, successors or assigns.

Section 8. Commencement of Work.

The Construction Manager shall commence the Preconstruction Work no later than the date provided in the Schedule, provided that on or before such date, all conditions precedent to the commencement of the Preconstruction Work have been satisfied, including but not limited to: (i) approval of this Agreement by HUD; (ii) demolition approval by HUD; (iii) completion of the Section 106 review process; (iv) issuance of a demolition permit by the City; and (v) approval of a hazardous materials remediation plan by the City, and by the California Department of Toxic Substance Control, if required; and (vi) approval by the Authority of the Contracts and evidence of all insurances and permits required under this Agreement.

Section 9. Completion of Work.

The Construction Manager shall cause the Preconstruction Work to be performed diligently and to be completed by the date in the Schedule; provided, however, that the Construction Manager shall be entitled to discontinue the Preconstruction Work upon the failure of the Authority to make any payments to the Construction Manager until such payment is made, unless the Construction Manager is then in default hereunder; and provided further that if such payment is not made within thirty (30) days after the due date, the Construction Manager shall have no further obligations hereunder to perform the Preconstruction Work and shall assign its interests in any Contract then in effect to the Authority, at which time all amounts due to the Construction Manager shall be paid by the Authority.

Upon completion of the Preconstruction Work, the Construction Manager shall notify the Authority, and the Authority shall inspect the Property. If, after such inspection, the Authority determines in its reasonable judgment that the Preconstruction Work has been completed, the Authority shall certify in writing that the Preconstruction Work is completed.

Section 10. Payment by Authority.

(a) Draw Requests. The Authority shall provide funding for the Preconstruction Work on a direct payment basis, plus a Construction Management Fee in the amount and payable only as set forth in subparagraph (d) of this Section 10, and the cost-reimbursement based upon monthly draw requests from the Construction Manager in accordance with the approved Contracts, provided that such draw requests shall be certified by the Construction Manager and approved by the Authority using its reasonable discretion.

(b) Payment. The Authority shall pay such approved draw requests within seven (7) business days of receipt of funds from HUD ("Due Date"). Failure to make such payments within such time unless the Construction Manager is then in default, shall relieve the Construction Manager, and its successors and assigns, of responsibility to proceed with the Preconstruction Work until such time as the Authority makes such payment; provided that if such payment is not made within thirty (30) days after the Due Date and ten (10) days' written notice is provided to the Authority that the Construction Manager intends to terminate this Agreement, the Construction Manager, and its successors and assigns, shall have no further obligations hereunder to perform the Preconstruction Work and the Authority shall pay the Construction Manager for any Preconstruction Work already performed, any costs of Construction Manager under the Contracts that cannot be refunded, any costs of demobilization and the portion of the Construction Management Fee due as of the date of termination.

(c) Construction Management Fee. The Authority shall pay the Construction Manager a total fee of $245,000 (the "Construction Management Fee") for the performance of the Preconstruction Work in conformance with this subparagraph. The Authority shall pay the Construction Management Fee to the Construction Manager in three installments: 1/3 upon completion of the Bid Phase Work, 1/3 upon 50% completion of the Demolition Phase Work, and 1/3 upon completion of the Preconstruction Work and final acceptance by the Authority.

(d) Contract Limit. Notwithstanding any other provision of this Agreement, the Authority's obligations under this Agreement shall not exceed $3,365,844. In the event that the guaranteed maximum price is less than $3,365,844 the Authority's obligations will not exceed the amount of the guaranteed maximum price.

Section 11. Condition of Property; Compliance with Laws.

The Construction Manager shall comply with all laws, ordinances, rules, regulations, and

orders of any governmental agency having jurisdiction over the Property, in carrying out the Preconstruction Work. The Construction Manager shall maintain the site in a safe and secure condition, including the use of fencing, support of retaining walls, and other methods, as necessary, during the entire performance of Preconstruction Work on the Property. Upon completion of the Preconstruction Work, the Construction Manager shall ensure that the Property is in a safe, secure and sanitary condition, to the reasonable satisfaction of the Authority.

Prior to the commencement of the Preconstruction Work, the Authority shall remove from the Property all items that the Authority intends to keep, lock the existing perimeter fencing and entrances to the existing structures, provide all keys for the Property to the Construction Manager, and arrange for the shut-off of all utilities to the Property.

Section 12. Contracts.

The Construction Manager shall enter into the Contracts for the demolition of the Existing Improvements and the other Preconstruction Work, as provided in Section 2 above. Such contracts shall provide for the work to be performed for fixed and guaranteed maximum amounts or other arrangements consistent with Section 2(a)(iii) above. Prior to the commencement of the Preconstruction Work, copies of the proposed Contracts shall be tendered to Authority, which shall have ten (10) business days in which to review them and give its written approval or written reasons for disapproval. If any proposed Contract is disapproved, the process shall be repeated until all Contracts shall have been approved in writing by Authority, for the purpose of approving the contractors and the amounts of the contracts; provided, however, that if the Authority gives its second disapproval of a Contract, the schedule of performance required under this Agreement shall be suspended until the Contract is approved by the Authority.

Section 13.Equal Opportunity.

During the performance of the Preconstruction Work, the Construction Manager shall not discriminate on the basis of race, color, creed, religion, sex, sexual orientation, gender identity status, age, disability, marital status, condition of Acquired Immune Deficiency Syndrome (AIDS) or AIDS-related complex, national origin or ancestry in the hiring, firing, promoting or demoting of any person engaged in the construction work. The Construction Manager also shall adhere to the Authority's Affirmative Action Requirements, which are attached hereto as Exhibit D, and the Valencia Gardens HOPE VI Revitalization Resident Hiring Plan, which is attached hereto as Exhibit E.

Section 14.Prevailing Wages.

To the extent required by HUD, the Construction Manager shall pay, or cause to be paid, prevailing rates of wages contained in the wage determination decision of the Secretary of Labor (Davis-Bacon wages) furnished to by the Authority to the Construction Manager for each contract, for work done in connection with this Agreement. The Construction Manager shall require its contractors performing the Preconstruction Work to maintain certified payrolls, and to

submit copies of such certified payrolls to the Authority as required by HUD, in order to verify compliance with these requirements.

Section 15.Bonds; Warranties.

With regard to the Preconstruction Work, the Construction Manager shall cause the Authority to be protected by labor and material bonds and performance bonds and/or other assignment of guarantees and warranties acceptable to the Authority as the Authority may approve, which approval shall not be unreasonably withheld. The Construction Manager shall cause the Authority to be named as a co-obligee on the bonds and deliver copies to the Authority prior to the commencement of the Preconstruction Work.

Section 16.Hazardous Materials.

(a) Definitions. The following special definitions shall apply for the purposes of this Section 16:

(i) "Hazardous Materials" shall mean:
(1) any "hazardous substance" as defined in Section 101(14) of CERCLA (42 U.S.C. Section 9601(14)) or Section 25281(d) or 25316 of the California Health and Safety Code at such time;

(2) any "hazardous waste," "infectious waste" or "hazardous material" as defined in Section 25117, 25117.5 or 25501(j) of the California Health and Safety Code at such time;

(3) any other waste, substance or material designated or regulated in any way as "toxic" or "hazardous" in the RCRA (42 U.S.C. Section 6901 et seq.), CERCLA Federal Water Pollution Control Act (33 U.S.C. Section 1521 et seq.), Safe Drinking Water Act (42 U.S.C. Section 3000 (f) et seq.), Toxic Substances Control Act (15 U.S.C. Section 2601 et seq.), Clear Air Act (42 U.S.C. Section 7401 et seq.), California Health and Safety Code (Section 25100 et seq., Section 3900 et seq.), or California Water Code (Section 1300 et seq.) at such time; and

(4) any additional wastes, substances or material which at such time are classified, considered or regulated as hazardous or toxic under any other present or future environmental or other similar laws relating to the Property.

(ii) "Hazardous Materials Laws" means all federal, state, and local laws, ordinances, regulations, orders and directives pertaining to Hazardous Materials in, on or under the Property or any portion thereof.

(b) Certain Covenants and Agreements. The Construction Manager hereby covenants and agrees as follows:

(i) The Construction Manager shall not knowingly permit the Property or any portion thereof to be a site for the use, generation, treatment, manufacture, storage, disposal or transportation of Hazardous Materials or otherwise knowingly permit the presence of Hazardous Materials in, on or under the Property; provided however that, for the purposes of this subsection (b) only, the term "Hazardous Materials" shall not include: materials located in, on or under the Property as of the date hereof, materials in reasonable quantities for lawful use in the demolition of the Existing Improvements and the remaining Preconstruction Work; reasonable quantities of gardening materials, household products, office supply products or janitorial supply products of the type customarily used in the construction, maintenance, demolition, or associated with buildings and grounds, or typically used in household activities or the commercial establishments on the Property, so long as used in a lawful manner; certain substances which may contain chemicals listed by the State of California pursuant to Health and Safety Code Sections 25249.8 et seq., which substances are commonly used in reasonable quantities and in a lawful manner by a significant portion of the population living within the region of the Property.

(ii) The Construction Manager shall keep and maintain the Property and each portion thereof in compliance with, and shall not cause or permit the Property or any portion thereof to be in violation of, any Hazardous Materials Laws;

(iii) Upon receiving actual knowledge of the following, the Construction Manager shall immediately advise Authority in writing of: (A) any and all enforcement, cleanup, removal or other governmental or regulatory actions instituted, completed or threatened against the Construction Manager or the Property pursuant to any applicable Hazardous Materials Laws; (B) any and all claims made or threatened by any third party against the Construction Manager or the Property relating to damage, contribution, cost recovery, compensation, loss or injury resulting from any Hazardous Materials (the matters set forth in the foregoing clause (A) and this clause (B) are hereinafter referred to as "Hazardous Materials Claims"); (C) the presence of any Hazardous Materials in, on or under the Property; or (D) the Construction Manager's discovery of any occurrence or condition on any real property adjoining or in the vicinity of the Property classified as "borderzone property" under the provisions of California Health and Safety Code, Sections 25220 et seq., or any regulation adopted in accordance therewith, or to be otherwise subject to any restrictions on the ownership, occupancy, transferability or use of the Property under any Hazardous Materials Laws.

(iv) Without Authority's prior written consent, which shall not be unreasonably withheld, the Construction Manager shall not take any remedial action in response to the presence of any Hazardous Materials on, under, or about the Property (other than in emergency situations or as required by governmental agencies having jurisdiction), nor enter into any settlement agreement, consent decree, or other compromise in respect to any Hazardous Materials Claims. Notwithstanding the foregoing, the

Authority acknowledges that the work for which the Construction Manager will be contracting will involve the disturbance of the ground at the sites.

(c) Authority Indemnity. The Authority hereby agrees to indemnify, protect, hold harmless and defend Construction Manager, its members, shareholders, officers, directors, employees, insurers, sureties, attorneys, agents and contractors, from and against any and all claims, demands, losses, damages, liabilities, fines, penalties, charges, causes of action, administrative and judicial proceedings and orders, settlements, judgments, remedial action requirements, enforcement actions of any kind, and all costs and expenses incurred in connection therewith (including, but not limited to, attorneys' fees, expert witness fees and costs), arising directly or indirectly, in whole or in part, out of the presence or discovery of any Hazardous Materials which were present on the Property as of the date of this Agreement, including but not limited to the handling, treatment, removal, storage, decontamination, cleanup, transportation or disposal, which first occur at any time after the date of this Agreement, of such Hazardous Materials into, on, under or from the Property at any time after the date of this Agreement. The Authority shall not be obligated to indemnify Construction Manager under this provision with respect to, and to the extent of, the negligence or intentional misconduct of the Construction Manager, its contractors, anyone directly or indirectly employed by them or anyone for whose acts they may be liable.

(d) Construction Manager's Indemnity. The Construction Manager hereby agrees to indemnify, protect, hold harmless and defend the Authority, its board members, officers, directors, employees, insurers, sureties, attorneys, agents and contractors, from and against any and all claims, demands, losses, damages, liabilities, fines, penalties, charges, causes of action, administrative and judicial proceedings and orders, settlements, judgments, remedial action requirements, enforcement actions of any kind, and all costs and expenses incurred in connection therewith (including, but not limited to, attorneys' fees, expert witness fees and costs), arising directly or indirectly, in whole or in part, out of the failure of the Construction Manager, its members, contractors, affiliates, or successors or assigns to comply with any Hazardous Materials Law relating in any way whatsoever to the handling, treatment, presence, removal, storage, decontamination, cleanup, transportation or disposal, which first occur at any time after the date of this Agreement, of such Hazardous Materials into, on, under or from the Property at any time after the date of this Agreement.

The Construction Manager shall require its contractors performing the Pre-construction Work to obtain general liability insurance, automobile insurance, and workers compensation insurance in the amounts set forth in Section 17 below. To the fullest extent permitted by law, the contractors shall assume the defense of, indemnify and hold harmless the Authority and its officers and employees (collectively "Indemnitees") from any claim, loss, damage, injury (including, without limitation, injury to or death of an employee of the contractors or subcontractors) and liability of every kind, nature and description (including, without limitation, incidental and consequential damages, court costs, attorney's fees and costs of investigation) that arise directly, in whole or in part, from (1) the services under this

Agreement, or any part thereof and/or (2) any act or omission of the contractor, anyone directly or indirectly employed by them, or anyone that they control (collectively "Liabilities").

To the extent, however, that the foregoing provision imposes an obligation on the contractor which does not involve any negligence or other breach of obligation on the part of the contractor or its subcontractors, then, provided the contractor is in compliance with its insurance obligations set forth above, such obligation shall be limited to the extent to which it is covered by the contractor's insurance and that of its subcontractors, in no event, however, shall the contractor's liability or indemnification responsibilities be so limited in the event of negligence or other breach of obligation on the part of the contractor or its subcontractors.

(e) The provisions of paragraphs (c) and (d) of this Section 16 shall survive the termination of this Agreement.

Section 17.Required Insurance Coverage.

The Construction Manager will maintain in full force and effect during the full term of the Contract, and require all sub-contractors to maintain the same, the insurance requirements listed below, and in a solvent company or companies that maintain a rating of B+ or better and admitted to sell insurance in California through the Department of Insurance. This insurance must be under the usual terms employed by casualty companies in California, naming the Housing Authority and its respective members, officers agents and employees as additional insured. Such insurance shall protect such additional insured and indemnify them against direct or contingent loss or liability for bodily injury, death and/or property damage arising in any manner from the Construction Manager's performance of the Contract with the Housing Authority, or the nature of the services provided, or any operations under or connected with the Contract with the Housing Authority.

1) **Comprehensive General Liability Insurance** with limits not less than $5 million per occurrence with Combined Single Limit for Bodily Injury and Property Damage, including Contractual Liability, and Completed Operations coverage.

2) **Comprehensive Automobile Liability Coverage** with limits not less than $1 million for each occurrence with a Combined Single Limit for Bodily Injury and Property Damage.

3) **Workers' Compensation Insurance.** The Construction Manager shall carry or cause to be carried workers' compensation insurance with limits as required by the State of California, covering all persons employed in connection with the Property and with respect to whom death, bodily injury, or sickness insurance claims could be asserted against Authority or the Construction Manager (Currently $1 million for each accident).

4) Hazard Materials:

a) Liability and Property Damage Insurance for Hazard Materials (if applicable). During the term of this Agreement, the Construction Manager shall maintain in full force and effect a policy or policies of comprehensive general liability and property damage insurance against liability for bodily injury to or death of any person or property damage arising out of an occurrence on or about the Property, including, but not limited to, coverage for explosion hazard and collapse/underground hazard and a rider deleting the Hazardous Materials exclusion. The limits of such insurance shall be not less than five million dollars ($5,000,000) combined single limit for bodily injury and property damage.

Section 18.Insurance Policies and Premiums.

(a) All liability policies required by this Agreement shall name Authority as an ADDITIONAL INSURED. Duplicate copies of such policies or certificates of such insurance shall be promptly furnished to Authority before the commencement of the Pre-construction Work.

(b) That such policies are primary insurance to any other insurance available to the ADDITIONAL INSURED, with respect to any claims arising out of this Agreement, and that the insurance applies separately to each insured against who claim is made or suit is brought, but the inclusion of more than one insured shall not increase the insurer's limits of liability.

(c) To the extent obtainable, any policy of insurance shall provide that any change or cancellation of said policy must be made in writing and sent to the Construction Manager and Authority at their respective principal offices at least thirty (30) days before the effective date of change or cancellation.

(d) The Construction Manager shall have no obligation to restore the Existing Improvements in the event of a casualty or peril which damages such improvements; provided, however, that nothing herein is intended to relieve the Construction Manager of responsibility for any increased costs of performing the Pre-construction Work resulting from any negligent or wrongful act or omission of the Construction Manager, its members, affiliates, agents, contractors, subcontractors or employees.

(e) All proofs of insurance shall be forwarded to the following:

Housing Development and Modernization Department
San Francisco Housing Authority
1815 Egbert Street, Suite 300
San Francisco, CA 94124
Attn: Barbara Smith, Administrator
Phone: (415) 715-3220
Fax: (415) 715-3201

Section 19.Indemnification.

(a) To the fullest extent permitted by law, the Construction Manager shall indemnify and hold harmless the Authority, its board members, officers, directors, employees, insurers, sureties, attorneys, agents and contractors, from and against claims, damages, losses and expenses, including but not limited to reasonable attorneys' fees, arising out of, or resulting from, any act or omission of the Construction Manager in performing any obligation of the Construction Manager under this Agreement, but only to the extent caused by negligent act or omission or intentional misconduct of the Construction Manager, the Contractors, or anyone directly or indirectly employed by them or anyone for whose acts they may be liable.

(b) To the fullest extent permitted by law, the Authority shall indemnify and hold harmless the Construction Manager, its members, officers, directors, employees, insurers, sureties, attorneys, agents and contractors, from and against claims, damages, losses and expenses, including but not limited to reasonable attorneys' fees, arising out of, or resulting from any act or omission of the Authority in performing any obligation of the Authority under this Agreement, but only to the extent caused by negligent act or omission or intentional misconduct of the Authority or anyone directly or indirectly employed by it or anyone for whose acts it may be liable.

(c) The provisions of this Section 19 shall survive the termination of this Agreement.

(d) The provisions of this Section 19 shall survive the termination of this Agreement.

Section 20.Default.

Any failure of either party to observe and perform any covenant, condition or agreement hereunder on its part to be performed shall constitute a default hereunder. Whenever any default shall have occurred and not be cured as provided in Section 21 of this Agreement, the nondefaulting party may take whatever action at law or in equity as may appear reasonably necessary to enforce performance or observance of any obligations, agreements, or covenants under this Agreement, including without limitation, termination of this Agreement in accordance with Section 5 hereof. In the event of such default, the nondefaulting party's remedies shall be

cumulative, and no remedy expressly provided for in this Section shall be deemed to exclude any other remedy allowed by law.

Notice of Default and Opportunity to Cure.

In the event of any default by the Construction Manager, the Authority shall give written notice to the Construction Manager of any default by specifying: (a) the nature of the event or deficiency giving rise to the default, (b) the action required to cure the deficiency, if an action to cure is possible, and (c) a date, which shall not be less than ten (10) business days from the date of receipt of the notice or the date the notice was refused, by which such action to cure must be taken, or if a cure cannot be accomplished in ten (10) business days, within a reasonable time thereafter.

Section 22.Unavoidable Delay in Performance.

The time for performance of provisions of this Agreement by either party shall be extended for a period equal to the period of any delay directly affecting the Preconstruction Work or this Agreement which is caused by: war, insurrection, strikes, lock-outs, riots, floods, earthquakes, fires, casualties, acts of God, quarantine restrictions, lawsuits, failures of governmental agencies (other than the Authority) to issue permits or approvals, the discovery of hazardous materials or historically-significant materials, or freight embargoes or other events beyond the reasonable control of the party claiming the delay. An extension of time for any of the above-specified causes will be deemed granted only if written notice by the party claiming such extension is sent to the other party within five (5) business days from the discovery of the commencement of the cause as it relates to the Agreement, and such extension of time is either accepted by the other party in writing, or is not rejected in writing by the other party within ten (10) business days of receipt of the notice. Times of performance under this Agreement may also be extended for any cause for any period of time by the mutual written agreement of the Authority and the Construction Manager.

Section 23.Notices, Demands and Communications.

Unless otherwise provided herein, formal notices, demands and communications between the Construction Manager and the Authority shall be sufficiently given and shall not be deemed given unless dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally, to the principal offices of the Construction Manager and the Authority as follows:

Authority: Housing Development and Modernization Department
San Francisco Housing Authority
1815 Egbert Street, Suite 300
San Francisco, CA 94124
Attn: Barbara Smith, Administrator

Phone: (415) 715-3220
Fax: (415) 715-3201
E-mail: smithb@sfha.org

With copy to: San Francisco Housing Authority
440 Turk Street
San Francisco, CA 94102
Attn: Gregg Fortner, Executive Director
Phone: (415) 554-1296
Fax: (415) 241-1024
E-mail: fortnerg@sfha.org

Construction Manager: Mission Housing Development Corporation
474 Valencia Street, Suite 280
San Francisco, CA 94103
Attn: Carlos Romero, Executive Director
Phone: (415) 864-6432
Fax: (415) 864-0378
E-mail: cromero@missionhousing.org

Section 24. Disclaimer of Relationships.

The Authority and the Construction Manager acknowledge that any transfer of HOPE VI grant funds or other HUD grant funds by the Authority to the Construction Manager shall not be or be deemed to be an assignment of HOPE VI or other grant funds, and the Construction Manager shall not succeed to any rights or benefits of the Authority under the Annual Contributions Contract between the Authority and HUD (the "ACC") or the HOPE VI Grant Agreement (the "Grant Agreement"), or attain any privileges, authorities, interests, or rights in or under the ACC or Grant Agreement.

Nothing contained in the ACC or Grant Agreement or in any agreement between the Authority and the Construction Manager, nor any act of HUD or the Authority, shall be deemed or construed to create any relationship of third-party beneficiary, principal and agent, limited or general partnership, joint venture, or any association or relationship involving HUD, except between HUD and the Authority as provided under the terms of the ACC or Grant Agreement.

Section 25.Independent Contractor.

The Construction Manager, and any and all contractors and subcontractors performing work pursuant to this Agreement are independent contractors. Any agency relationship created by this Agreement shall be limited in scope to activities undertaken in furtherance of the work to be performed hereunder.

Section 26.Attorneys' Fees and Costs.

In the event any default or any legal or administrative action is commenced to interpret or to enforce the terms of this Agreement, the prevailing party in any such action shall be entitled to recover all reasonable attorneys' fees (which as to any party shall include the allocated reasonable costs for services of any party's in-house counsel) and costs in such action.

Section 27.Time.

Time is of the essence in this Agreement.

Section 28.Assignment.

The Construction Manager may not assign its interests under this Agreement without the prior written consent of the Authority.

Section 29. Binding Effect.

This Agreement shall inure to and bind the parties hereto, their respective representatives, successors and assigns.

Section 30. Counterparts.

This Agreement may be executed in counterparts, all of which taken together shall be deemed one original agreement.

Section 31. Captions.

Sections, titles, or captions in no way define, limit, extend or describe the scope of this Agreement nor the intent of any of its provisions, and are for convenience of reference only.

Section 32 Governing Law.

This Agreement shall be construed in accordance with and be governed by the provisions of the law of the State of California.

Section 33. Waiver.

No waiver of any right under this Agreement shall be deemed effective unless contained in a writing signed by the party charged with the waiver. No waiver of any breach or any failure to perform shall be deemed to be a waiver of any future breach or failure to perform or of any other right arising under this Agreement.

Section 34. Entire Agreement.

This Agreement sets forth the entire agreement of the parties hereunder with respect to this subject and this Agreement may not be modified except in writing signed by authorized representatives of each party.

Section 35. Effective Date.

This Agreement shall become effective upon the date first written above, subject to the conditions to the performance of any Preconstruction Work set forth herein.

Section 36. Severability.

If any provision of this Agreement or the application of any provision to any person or circumstances shall be invalid or unenforceable to any extent, the remainder of this Agreement, or the application of such provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected, and each provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

WHEREFORE, the Authority and the Construction Manager have entered into this Agreement as of the date first set forth above.

AUTHORITY

HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO, a public body corporate and politic

By: _____
Gregg Fortner

Its: Executive Director

APPROVED AS TO FORM AND LEGALITY BY:

_____
Donna Martin, Managing Attorney

CONSTRUCTION MANAGER

MISSION HOUSING DEVELOPMENT CORPORATION, a California nonprofit public benefit corporation

By: _____
Carlos Romero

Its: Executive Director

By: _____
Larry Del Carlo

Its: Board Chair

EXHIBIT B

SCHEDULE

EXHIBIT B

VALENCIA GARDENS PRE CONSTRUCTION SERVICES AGREEMENT SCHEDULE

Hazardous Materials Removal & Demolition	**Start**	**Finish**
Execute Contract with SF Arts Commission and Subcontractors for Bufano Statue Removal	August 2003	August 2003
Remove Bufano Statues	August 2003	September 2003
Bid Period	August 2003	August 2003
Qualify subcontractors/Execute Contract with GC and Subcontractors	August 2003	August 2003
Notice to Proceed	August 2003	August 2003
Demo Permits, Emergency Demo Order	August 2003	August 2003
Set up Site Barricades	August 2003	September 2003
Hazardous Materials Removal	September 2003	October 2003
Demolition	October 2003	December 2003
Archeological Soil Testing* Timeline for completion of this task may be extended depending on what is discovered by the archeologist at the site	December 2003	February 2003
Site Work	December 2003	February 2003

EXHIBIT C

APPROVED BUDGET

EXHIBIT C: VALENCIA GARDENS PSA BUDGET

SOURCES OF FUNDS

		PSA	Total Development	Comments
Mortgage			5,612,000	30 yr, fully amortized 5.25%
ond Mortgage: Supported By Section 8			3,274,000	10 yr fully amortized 5.25%
HOPE VI Loan		3,365,844	18,325,641	Low rate to be determined
AHP or CHFA Deferred Loan			1,000,000	55 Yr. 0% or Residual Receipts 3%
State Multi Family Housing Program (MHP)			7,000,000	55 years residual receipts 3%
Local Funds- Mayors Office of Housing			3,608,695	Residual Receipts 3%
Deferred Developer Fee			260,000	
General Partner			1,100,000	
Limited Partner @ 99.99%			20,970,994	@ 84 cents/credit dollar
TOTAL SOURCES			61,091,330	

USES OF FUNDS

	Pre-Development + Construction	PSA	Total Development	PSA Budget Comments
Land acquisition	0		0	
Demolition/Remediation	0	1,477,372	1,477,372	Includes Site Security until Completion of Demo
Site improvements	1,626,862	989,962	2,616,824	
New Construction	38,138,588	215,771	38,354,359	
Buildout of Child Care/Computer Center	1,000,000		1,000,000	
Personal Property in Construction Contract	260,000		260,000	
Furniture Purchased by Owner	75,000		75,000	
truction Contingency @ 10%	4,103,117	167,739	4,270,856	$42,852 - unforseen conditions, $124,887 Bufano Sculpture removal, restoration
cal Permits and Fees	450,000		450,000	
Local Impact Fees	319,287		319,287	
Architecture	2,783,525		2,783,525	
Survey, engineering, environmental, testing	565,000	250,000	815,000	Archeological Soil Treatment & Mitigation
Construction management	200,000		200,000	
Soft Cost Contingency	800,000		800,000	
Bond premium @ .75%	269,240		269,240	
Permanent loan fee	79,930		79,930	
Construc. Loan Fees @ 1% + $500 fee+inspec	352,500		352,500	
Construc. Loan Interest during construc.	938,438		938,438	
Construc. Loan Interest post construc.	473,958		473,958	
Real Estate Taxes During Construction	0		0	
Course of Construction Insurance	800,000	20,000	850,000	
Appraisal	20,000		20,000	
Tax Credit Allocation Committee Fees	92,795		92,795	
Legal Fees - Organization	5,500		5,500	
Legal Fees - Construction Loan Closing	40,000		45,000	
Legal Fees - Syndication	30,000		30,000	
Legal Fees - Permanent Loan Closing	40,000		45,000	
Title - Permanent loan closing	10,000		10,000	
Consultant - Syndication	40,000		40,000	
Investor legal fees	30,000		30,000	
& Escrow - Construction Financing	25,000		25,000	
keting	100,000		100,000	
Project Audit	10,000		10,000	
Capitalized reserves (6 mo op reserve; 24 mo	1,511,746		1,511,746	
PSA Construction Management Fee	0	245,000	245,000	
Development Fee	2,500,000		2,500,000	
TOTAL PROJECT COSTS	57,725,486	3,365,844	61,091,330	

EXHIBIT D-2

SAN FRANCISCO
PLANNING COMMISSION
MOTION NO. 16604

ADOPTING FINDINGS RELATING TO CONDITIONAL USE AUTHORIZATION BY THE PLANNING COMMISSION OF A PLANNED UNIT DEVELOPMENT WITH 260 DWELLING UNITS, A COMMUNITY CENTER, A CHILD CARE CENTER, A COMPUTER LEARNING CENTER, AND 87 OFF-STREET PARKING SPACES, WITH EXCEPTIONS FROM REAR YARD, PARKING AND LOADING REQUIREMENTS OF THE PLANNING CODE, ON LOT 002 IN ASSESSOR'S BLOCK 3546, WITHIN AN RM-1 (RESIDENTIAL, MIXED, LOW-DENSITY) USE DISTRICT AND A 40-X AND 50-X HEIGHT AND BULK DISTRICT AND IS WITHN THE MISSION DISTRICT INTERIM CONTROLS AREA.

Preamble

On December 5, 2002, Lisa Pagan, representative of Mission Housing Development Corporation, ("Project Sponsor") filed Application No. 2002.0809C ("Application") with the Planning Department ("Department") for Conditional Use Authorization for a Planned Unit Development ("PUD") under Planning Code Section 304, a childcare facility for 13 or more children under Planning Code Section 209.3(f), and a community facility under Section 209.4(a). This project would include 260 dwelling units, including 42 units designated for senior housing, and would require exceptions from rear yard requirements of Section 134(a)(2), off-street parking requirements of Section 151, and off-street freight loading requirements of Section 152. The project would also require the demolition of the existing buildings on the site.

It was determined by the Department, in accordance with the provisions of the California Environmental Quality Act ("CEQA"), the State Guidelines for the Implementation of CEQA and Chapter 31 of the San Francisco Administrative Code, that the proposed project may have a significant impact on the environment and that an Environmental Impact Report ("EIR") would be required. A Draft EIR was published on March 22, 2003 (Case No. 2002.0809E). The Commission held a public hearing on the Draft EIR on April 24, 2003. The public comment period on the Draft EIR ran from March 22 through April 29, 2003. By its Motion No. ----, the Commission certified as Final the EIR for the project on June 26, 2003.

On June 26, 2003, the Commission conducted a duly noticed public hearing on Application No. 2002.0809C ("Subject Project"), for authorization.

In reviewing the Subject Project, the Commission has had available for its review and consideration studies, case reports, plans, and other materials pertaining to the Project contained in the Department's case files, has reviewed and heard testimony and received materials from interested parties during the public hearings on the Project.

MOVED, that the Commission hereby approves the Conditional Use requested in Application No. 2002.0809C based on the following findings:

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FINDINGS

Having reviewed all the materials identified in the recitals above, and having heard oral testimony and arguments, this Commission finds, concludes, and determines as follows:

1. The Project site is currently improved with a residential complex known as the Valencia Gardens Public Housing Development. This development was designed by William Wurster and built in 1942. It contains 246 units of affordable housing set in 22 three-story buildings arranged in a serpentine pattern among courtyards and with an 86-space surface parking lot along the north side of the site. The units are primarily one- and two-bedroom units resulting in overcrowding among many of the resident families. Besides housing, the development includes community space, a computer learning center, property management facilities, and a childcare facility. Although at the time it was built it was considered a highly innovative approach to housing design, it has not served well as a model for housing, set apart as it is from the surrounding community, and it has become badly deteriorated, having been subjected to graffiti and other vandalism over the years. The entire site is surrounded by an 8-foot high metal fence for security reasons.

2. The subject property is within the Mission District, and the neighborhood surrounding the site is primarily three- to four-story residential buildings along Guerrero, 14th and 15th Streets, and mixed residential and commercial uses along Valencia Street.

3. Planning Code Section 209.3(f) requires Conditional Use Authorization for childcare facilities which provide care for 13 or more children providing less than 24 hour care by licensed personnel. The Project would include a childcare facility of approximately 3,000 square feet for up to 32 children with an adjacent play area of approximately 2,300 square feet. This facility would be available for use by families throughout the neighborhood.

4. Planning Code Section 209.4(a) requires Conditional Use Authorization for community facilities, including neighborhood and cultural centers for the purpose of recreation, cultural, social interaction and education. The Project would provide a computer learning center of approximately 2,000 square feet for use as job training by project residents, with the potential for use by the greater community at a later time.

5. Planning Code Section 304 permits the creation of a Planned Unit Development (PUD) for sites of greater than one-half acre. The Project site is nearly five acres in size. PUDs must be developed as integrated units and designed to produce an environment of stable and desirable character that will benefit the occupants, neighborhood and the City as a whole. Where projects demonstrate outstanding overall design, they may seek exceptions from certain Planning Code provisions. The Project Sponsor is seeking exceptions from the rear yard requirements of Section 134(a)(2), the off-street parking requirements of Section 151, and the freight loading requirements of Section 152.

   A. In the RM-1 District, Planning Code Section 134(a)(2) requires a rear yard equal to 25 percent of the depth of the lot, or approximately 54,000 contiguous square

feet at one end of the lot for the subject site. Because the subject lot has frontage on three streets, with residential buildings throughout the site, the Project Sponsor seeks an exception to this provision under the PUD process and would instead provide approximately 110,000 square feet of rear yard open space between the Project buildings. This open space would include private rear yard spaces for ground floor units, an esplanade running through the site, plus an additional 3,000 square feet of common usable open space within a courtyard off the community center, protected from the streets. Additional private open space would be provided on stoops and upper level decks for certain units. Most units would have access to private open space. The total open space for the Project is twice the Code required rear yard space. Further, the esplanade, the courtyard, the private rear yards, stoops and decks are more accessible for use to Project residents than would a standard Code complying rear yard. As such, the Project warrants a modification from the rear yard requirement.

B. Planning Code Section 151 requires within the RM-1 use district one independently accessible off-street parking space for every standard dwelling unit, one space for every dwelling unit designated for senior housing, one space for each 25 children for a childcare facility, and one space for each eight-seat capacity for community facilities (15 square feet provides space for one seat). The total parking requirement for the project would therefore be 226 spaces. The Project Sponsor seeks an exception to this provision under the PUD process and would instead provide only 87 independently accessible spaces for the dwellings. The site is well-served by public transit with bus service provided along Valencia, Mission, and 16th Streets, and a Muni Metro station at Church and Market and a BART station at 16th Street and Mission, each within two blocks of the Project site. Without the provision of parking, private automobile trips are discouraged and alternatives to automobile travel are encouraged. Further, the existing Valencia Gardens development has for a number of years provided a comparable amount of off-street parking. As such, the Project warrants a modification from the parking requirement.

C. Planning Code Section 152 requires the provision of two off-street freight loading spaces for residential developments between 200,001 and 500,000 square feet. Under the PUD process, the Project Sponsor proposes not to provide any designated off-street loading spaces. The Project is designed to function as a traditional San Francisco residential neighborhood, with low-rise residential rowhouses oriented toward the streets. This orientation would make any designated permanent off-street loading locations useless for all but a few nearby residents. Further, as a residential neighborhood, loading is not likely to occur with much frequency once the units are occupied. As such, the Project warrants a modification from the loading requirement.

6. Per Planning Code Section 303, the Commission may authorize a Conditional Use only after holding a duly noticed public hearing and making the following findings. The Project complies with the criteria of Section 303(c) in that:

A. That the proposed use or feature, at the size and intensity contemplated and at the proposed location, will provide a development that is necessary or desirable for, and compatible with, the neighborhood or the community;

i. The uses included in this proposal are considered desirable and compatible for both the surrounding neighborhood and the City as a whole. San Francisco continues to experience a housing shortage and the Project would provide 260 units of variable sizes, all offered at below market rates. This represents 14 units more than the existing development, and includes more family-size units, with mostly two- and three-bedroom units, compared with the existing development, which is primarily one- and two-bedroom units.

ii. The residents of the Mission District have expressed the need for more community services and the Project would provide a childcare facility for 32 children, and a computer learning center.

B. That such use or feature as proposed will not be detrimental to the health, safety, convenience or general welfare of persons residing or working in the vicinity, or injurious to property, improvements or potential development in the vicinity, with respect to aspects including but not limited to the following:

i. The nature of the proposed site, including its size and shape, and the proposed size, shape and arrangement of structures;

The overall Project would be comparable in both size and appearance with the surrounding development. The Project would consist of 14 three-story buildings, and two four-story buildings, all oriented to face the surrounding or new interior streets and forming a strong street wall, more similar in form to the historic neighborhood pattern. Parking would be provided only along the interior streets.

The buildings along Valencia Street would have a ground story design that would reflect the commercial uses of that street. All other buildings would be residential in character, with stoops separating the residential spaces from the street. The Project would include architectural features such as bay windows, varied rooflines, and varied massing. New street trees would be introduced to create blocks similar to those in the surrounding neighborhood.

ii. The accessibility and traffic patterns for persons and vehicles, the type and volume of such traffic, and the adequacy of proposed off-street parking and loading;

a. All vehicle access to the interior of site would be through a newly created right-of-way running east–west across the north end of

the site from Valencia Street to Guerrero Street. An additional U-shaped "esplanade" would run through the interior of the site. A special pavement pattern on the esplanade would distinguish the drive as pedestrian friendly space, discouraging high speeds. Additional traffic calming measures would include narrowing of the traffic lanes with landscaping and decorative bollards. Parking would be provided along these interior streets in designated areas.

b. The subject property is well served by public transit. Muni bus and train lines run immediately adjacent to the subject property along Valencia, and also along 16th Street and Mission with one or two block of the site. In addition, there are Muni Metro and BART stations within two blocks of the site. The Project would supply 87 off-street parking spaces along the interior streets, compared to 82 surface parking spaces provide in the existing Valencia Gardens.

c. The Project would also provide bicycle parking spaces and two City Carshare parking spaces are located at 16th and Hoff Street, just two blocks from the site.

d. For loading, the Project would allow loading along the interior private streets as needed. Since the Project is primarily residential, loading requirements should be infrequent once the units are initially occupied.

iii. <u>The safeguards afforded to prevent noxious or offensive emissions such as noise, glare, dust and odor;</u>

a. The uses proposed would not generate significant amounts of noxious or offensive emissions that may cause noise, glare, dust, and odor.

b. The Environmental Impact Report has also suggested mitigation measures to minimize any negative effects the proposal may have on its surroundings during construction; these measures are included with the Conditions of Approval.

iv. <u>Treatment given, as appropriate, to such aspects as landscaping, screening, open spaces, parking and loading areas, service areas, lighting and signs; and</u>

a. The Project would provide street trees along all surrounding and interior streets, and a street level landscaped open space near the corner of 15th and Valencia Streets.

b. All service areas throughout the Project site would be completely screened from view.

c. All parking would be within the interior of the site along interior streets, similar to the traditional pattern of development, without the provision of parking garages or surface lots.

d. Lighting would be subtle and primarily limited to the streets.

e. Any signage would be in general conformance with Article 6 of the Planning Code.

C. That such use or feature as proposed will comply with the applicable provisions of this Code and will not adversely affect the Master Plan:

The Project positively contributes to advancing numerous objectives and policies of the General Plan and has no significant conflicts with the objectives and policies of the General Plan, as further discussed in Finding 8 below.

7. In consideration of proposals for Planned Unit Developments under Planning Code Section 304, the Planning Commission shall consider the following standards and criteria in addition to those stated in Section 303(c) of this Code:

A. Affirmatively promote applicable objectives and policies of the Master Plan;

The Project positively contributes to advancing numerous objectives and policies of the General Plan and has no significant conflicts with the objectives and policies of the General Plan, as discussed in Finding 8 below.

B. Provide off-street parking adequate for the occupancy proposed;

As detailed in the Environmental Impact Report, the Project could not cause a substantial increase in parking demand which could not be accommodated by existing parking facilities. It provides an amount of off-street parking comparable to the existing Valencia Gardens, and is designed to discourage automobile ownership and use by minimizing off-street parking availability.

C. Provide open space usable by the occupants and, where appropriate, by the general public, at least equal to the open spaces required by this Code;

While the proposal would not provide the required rear yard setback, it would provide substantially more than the Code-required amount of usable open space and would provide that open space within an interior esplanade, an landscaped courtyard, within private rear yards, protected from the streets and on private decks, locations more suitable for open space than a traditional rear yard, as detailed in Finding 5 above.

D. Be limited in dwelling unit density to less than the density that would be allowed by Article 2 of this Code for a district permitting a greater density, so that the Planned Unit Development will not be substantially equivalent to a reclassification of property;

Residential density for RM-1 use districts is limited to one dwelling unit per 800 square feet of lot area, or 269 units for the subject site. The Project would provide 260 units. No density bonus under the PUD process is required.

E. In R Districts, include commercial uses only to the extent that such uses are necessary to serve residents of the immediate vicinity, subject to the limitations for NC-1 Districts under this Code;

No retail commercial uses are proposed. The childcare, community and learning center are all designed specifically to serve residents of the Project or the immediate vicinity.

F. Under no circumstances be excepted from any height limit established by Article 2.5 of this Code, unless such exception is explicitly authorized by the terms of this Code. In the absence of such an explicit authorization, exceptions from the provisions of this Code with respect to height shall be confined to minor deviations from the provisions for measurement of height in Sections 260 and 261 of this Code, and no such deviation shall depart from the purposes or intent of those sections;

The proposed structure complies with the height limitations set forth by Article 2.5 of the Planning Code and does not seek any exceptions pertaining to height.

G. In NC Districts, be limited in gross floor area to that allowed under the floor area ratio limit permitted for the district in Section 124 and Article 7 of this Code; and

This criterion is not applicable to the subject property's zoning district.

H. In NC Districts, not violate the use limitations by story set forth in Article 7 of this Code.

This criterion is not applicable to the subject property's zoning district.

8. The Project is, on balance, consistent with and will not adversely affect the General Plan. The Project would promote numerous General Plan objectives and policies, as follows:

Residence Element
It would provide well-designed, high-quality permanently affordable housing within an established neighborhood, consistent with Objectives 1, 5, 6 and 12, and Policies 1.4, 5.4, 5.5, 6.3 and 12.4.

It would provide relocation assistance to existing residents and allow for their return, consistent with Objective 14 and Policies 14.1, 14.2, and 14.3.

Urban Design Element
It would provide a development that complements the existing neighborhood street pattern, with buildings that relate to the street and blend in with the surrounding architecture and provide a safe pedestrian friendly streetscape, consistent with Objectives 1, 3 and 4, and Polices 1.2, 1.3, 3.1, 3.2, 3.7, and 4.13.

9. Section 101.1 of the Planning Code establishes eight priority planning policies and requires review of permits for consistency with these policies. Overall, the Project complies with these policies as follows:

A. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses enhanced.

The Project would not provide retail uses, but would provide a learning center that is intended to train Project residents in skills that would enhance job opportunities for residents.

B. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhood.

The Project would enhance the existing housing and neighborhood character by replacing a large residential development that does not relate well to the neighborhood around it, with one that does.

C. That the City's supply of affordable housing be preserved and enhanced.

The Project would have a positive impact on the supply of existing affordable housing by replacing 246 affordable units with 260 units in the proposed development.

D. That commuter traffic not impede Muni transit service or overburden our streets or neighborhood parking.

The subject property is very well served by public transit and City Carshare. The Project would be designed to discourage automobile ownership and use. The Environmental Impact Report has indicated the proposed Project would not substantially increase traffic levels or parking demand, or interfere with transportation systems.

E. That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for resident employment and ownership in these sectors be enhanced.

The proposal would not cause a displacement of an industrial use, and the site is zoned for residential uses. As stated above, the training center is designed specifically to enhance employment opportunities for Project residents by providing them with computer skills.

F. That the City achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake.

The proposed structure would meet all seismic requirements per the Building Code.

G. That landmark and historic buildings be preserved.

This Project would result in the demolition of the Valencia Gardens, a development eligible for consideration as a National Register district. However, both the Department and the Landmarks Board have concurred, that in the interest of the public good, the replacement project should proceed.

H. That our parks and open space and their access to sunlight and vistas be protected from development.

This Project would have no adverse impact on parks or open space areas, or their access to sunlight or views.

10. In certifying the Final EIR, which was the subject of Case No. 2002.0809E, the Commission found that the Project would have a significant effect on the environment in that it would result the permanent loss of the Valencia Gardens buildings that have been determined to be historically significant.

11. The impact described in Finding 10 is significant and unavoidable.

12. Pursuant to CEQA, the Commission considered the following alternatives to the Project described in the Final EIR, which would reduce or avoid the project-specific impact of the Project, and rejects them as infeasible for the following reasons set forth below:

A. Alternative A. Alternative A, the "No Project Alternative" is infeasible for the following reasons:

i. The Project Sponsor would not be able to construct new buildings to provide better quality and additional affordable and family-size residential units and new neighborhood serving child-care and a learning center in the Mission District of San Francisco.

ii. This alternative would not develop a project consistent with the existing urban design character of the area.

iii. It would not develop a project consistent with the planning policy direction of the City and the on-going community planning process, in particular to create additional residential space, including affordable units.

iv. It would not provide pedestrian-oriented ground floor frontage along Valencia Street compatible with the neighborhood commercial uses along that street.

v. It would not meet the San Francisco Housing Authority's (SFHA) or the Mission Housing Development Corporation's goals to provide units types to best meet the needs of families and seniors in affordable housing; to remediate the physical hazards of the existing Valencia Gardens, to blend in with the community, and to improve public housing facilities, amenities, security and ADA access at the site.

vi. It would also cause the SFHA to forfeit HOPE VI funding, awarded by the HUD to revitalize the Valencia Gardens.

B. Alternative B. Alternative B, the "Preservation/Rehabilitation of Existing Buildings Alternative" is infeasible for the following reasons:

i. The Project Sponsor would not be able to construct buildings to provide additional affordable residential units in the Mission District of San Francisco.

ii. This alternative would not develop a project consistent with the Planning policy direction of the City and the on-going community planning process, in particular to create additional affordable residential units.

iii. It would not provide a greater number of larger, family-size units, or units accessible to the disabled.

iv. It would not provide additional space for childcare or space for a computer learning center.

v. It would not provide a Project that is compatible with the surrounding neighborhood in terms of design, size and scale.

13. The following benefits, among others, are generated by the Current Project:

A. The Conditional Use authorization would create 260 new dwelling units, community space, a computer learning center, a childcare facility, and 87 off-street parking spaces provided along the interior private streets.

B. All of the 260 dwelling units would be offered at below market rental rates, adding 14 affordable units to the housing market.

C. The childcare facility would serve Project residents and families from the surrounding neighborhood.

D. The childcare and learning centers would provide an open, pedestrian oriented street frontage along Valencia Street.

E. The proposal would promote numerous objectives and policies of the General Plan relating to Housing and Urban Design.

F. The Project is consistent with the community planning process for the Mission District, which encourages additional family size affordable housing in this area, along with community services.

G. It allows for a comparable amount of parking to be available as the existing development, a parking arrangement that discourages automobile ownership and use and encourages alternative means of transportation.

H. It provides a Project that is designed to be compatible with and relate to the surrounding neighborhood, rather than isolate itself from that neighborhood.

14. Statement of Overriding Consideration: After balancing unavoidable significant and other adverse effects on the environment as identified in the Final Environmental Impact Report, and the benefits of the Project, the Commission concludes that the benefits of the Project outweigh any unavoidable adverse effects on the environment, which are hereby found to be acceptable, and that the social, economic, and environmental benefits of the Project constitute overriding considerations justifying approval.

The Commission finds that granting authorization for the Subject Project would promote the public welfare, convenience, and necessity for the reasons set forth above.

DECISION

The Commission, after carefully balancing the competing public and private interests, and based upon the Findings set forth above, in accordance with the standards specified in the Code, hereby approves the Project Authorization for the demolition of the 22 buildings comprising the Valencia Gardens development and construction of a new PUD including 260 dwelling units, 42 senior units, approximately 5,500 square feet of community space, a computer learning center of approximately 2,000 square feet, a childcare facility for up to 32 children, and 87 off-street parking spaces provided along the interior private streets subject to the conditions of approval attached hereto as Exhibit A, which is incorporated herein by this reference.

I hereby certify that the foregoing Motion was ADOPTED by the Planning Commission on **June 26, 2003.**

Linda Avery
Commission Secretary

AYES: Commissioners Antonini, Boyd, Hughes, and S. Lee

NOES: None

ABSENT: Commissioners Bell, Feldstein and W. Lee

ADOPTED: June 26, 2003

EXHIBIT A

CONDITIONS OF APPROVAL

This approval is pursuant to Sections 303 (Conditional Use) and 304 (Planned Unit Development) for the demolition of the 22 buildings comprising the Valencia Gardens housing development and the construction of a new 16-building development with 260 below market rate dwelling units, with 42 of these units designated for senior citizens, plus a community center of approximately 5,500 square feet, a child care facility of approximately 3,000 square feet with an outdoor play space of approximately 2,300 square feet, a computer learning center of approximately 2,000 square feet, and 87 off-street parking spaces along the interior streets, on a 215,879 square-foot site, in general conformance with the plans dated March 14, 2003 and stamped "Exhibit B".

CONSTRUCTION MONITORING AND MITIGATION

"Mitigation Measures to be Included in the Development", as outlined in the Final Environmental Impact Report (File No. 2002.0809E), shall be conditions of approval and are accepted by the Project Sponsor or successors of interest. If said measures are less restrictive than the following conditions, the more restrictive, as determined by the Zoning Administrator, shall govern. The Valencia Gardens Hope VI Mitigation Monitoring and Reporting Plan is attached as "Exhibit C". These measures are as follows:

Architectural Resources

1. Prior to any physical removal of buildings or site features, the Project Sponsor would prepare, or cause to be prepared, documentation of the Valencia Gardens complex. Such documentation would include the precise recording of the structures through measurements, drawings, and photographs and would meet the Historic American Buildings Survey (HABS) recordation standards. The HABS documentation would include the following:

    - HABS outline report would be prepared and would include descriptive and historical information on the buildings, the architects, the landscaping, the landscape architect, the sculptures, and the artist. Information from the previous reports prepared, including the *Valencia GardensDraft Historic Significance Evaluation*, Carey & Co., 1997, and the *Verification of Historic Significance, Valencia Gardens HOPE VI Project*, Carey & Co., 2002, would be used to fulfill some of the requirements for descriptive and historical information.

    - Photographic documentation of the exterior of Valencia Gardens' neighborhood setting, buildings, courtyards, landscape and site features, and sculptures would be prepared.

    - Photographic documentation of selected interiors, including a typical dwelling unit, would be prepared. The selected dwelling unit would be appropriately described in the outline report and keyed to the photographs.

- All photographic documentation would follow the HABS Photographic Standards for detail and quality, use of large format photographs and negatives, archival processing, labeling, and sacrificial test prints. Two sets of archival prints and one set of archival negatives would be prepared.

- Existing architect's drawings of the housing complex would be included in the HABS documentation. Reference would be made in the documentation report to the repository where the drawings are housed.

2. The documentation of Valencia Gardens would be submitted to the following repositories:

   - Documentation report, and one set of photographs and negatives, and a copy of the original drawings (identified in the Appendix II of Draft Historic Significance Evaluation of the Valencia Gardens as "Original Drawings for Valencia Gardens on 03-10-41 by Harry A. Thomsen Jr. and William Wilson Wurster") would be submitted to the History Room of the San Francisco Public Library.

   - Documentation report would be submitted to the Northwest Information Center of the California Historical Resources Information Resource System.

   - Documentation report, one set of photographs, original drawings, and rehabilitation drawings would be submitted to the Wurster, Bernardi & Emmons Collection, 1922-1974, Environmental Design Archives in the College of Environmental Design, University of California, Berkeley. The original drawings are identified in the Appendix II of Draft Historic Significance Evaluation of the Valencia Gardens as "Original Drawings for Valencia Gardens on 03-10-41 by Harry A. Thomsen Jr. and William Wilson Wurster." The rehabilitation drawings are identified as "Renovation Drawings for Kitchens and Bathrooms on 12-28-73 by the Housing Authority of the City and County of San Francisco." Both drawings sets are in the possession of the San Francisco Housing Authority and would be examined by a conservator prior to their donation.

   - The documentation report and xerographic copies of the photographs would be submitted to the San Francisco Planning Department for review prior to issuance of any permit that may be required by the City and County of San Francisco for demolition of Valencia Gardens.

   - The documentation report and xerographic copies of the photographs would be submitted to the San Francisco Landmarks Preservation Advisory Board.

3. The Project Sponsor would provide a publicly accessible interpretive display area on the project site to include interpretive materials, such as photographs, oral histories, architectural drawings and site plans, and written histories documenting the lives of, and events associated with, past occupants of the Valencia Gardens Housing Project. The

interpretive display would also include information on why the existing Valencia Gardens housing is inappropriate for its current use as discussed in the HOPE VI application section on existing conditions, as well as published articles regarding the design goals of the HOPE VI program, and the design goals developed in the resident design workshops for Valencia Gardens, which together show how social thinking has changed regarding what is now considered appropriate public housing design. The interpretive display would be submitted to the San Francisco Landmarks Preservation Advisory Board for review and approval prior to issuance of a final certificate of occupancy for the project. Copies of all interpretive materials shall also be donated to the History Room of the San Francisco Public Library. The LPAB may appoint a liaison to work with the Project Sponsor in directing the research on the interpretive materials.

4. The Project Sponsor, along with the President of the LPAB, would work with the San Francisco Arts Commission to incorporate the Bufano sculptures into the proposed site design. Subject to Arts Commission approval, the Bufano sculptures would be returned to the project site after construction. Prior to removing the sculptures from the site, an art conservator would inspect each sculpture to determine their existing condition. A qualified mover with experience in moving fine art pieces would be contracted to move the sculptures to a storage facility during construction of the proposed project. The storage facility would be one recommended by the art conservator. The same moving company would move the sculptures back, and the art conservator would supervise their placement on the project site.

Noise

5. The Project Sponsor shall require project construction contractor(s) to pre-drill holes to the maximum depth feasible on the basis of soil conditions. Contractors shall be required to use construction equipment with state-of-the-art noise shielding and muffling devices.

6. The Project Sponsor shall incorporate any noise mitigation measures identified in the Noise Assessment of the Special Environmental Clearance prepared according to HUD regulations (24 CFR Part 51, Subpart B).

Air Quality

7. The Project Sponsor shall require the contractor(s) to spray the site with water during excavation and construction activities; spray unpaved construction areas with water at least twice per day; cover stockpiles of soil, sand, and other material; cover trucks hauling debris, soil, sand or other such material; and sweep surrounding streets during excavation and construction at least once per day to reduce particulate emissions.

8. Ordinance 175-91, passed by the Board of Supervisors on May 6, 1991, requires that non-potable water be used for dust control activities. Therefore, the Project Sponsor would require that the contractor(s) obtain reclaimed water from the Clean Water

Program for this purpose. The Project Sponsor shall require the project contractor(s) to maintain and operate construction equipment so as to minimize exhaust emissions of particulates and other pollutants, by such means as a prohibition on idling motors when equipment is not in use or when trucks are waiting in queues, and implementation of specific maintenance programs to reduce emissions from equipment that would be in frequent use for much of the construction period.

Geology

9. One or more geotechnical investigations by a California-licensed geotechnical engineer are included as part of the project. The Project Sponsor and its contractors shall follow the recommendations of the final geotechnical reports regarding any excavation and construction for the project. The Project Sponsor shall ensure that the construction contractor conducts a pre-construction survey of existing conditions and monitors the adjacent buildings for damage during construction, if recommended by the geotechnical engineer.

10. If dewatering were necessary, the final soils report shall address the potential settlement and subsidence impacts of this dewatering. Based on this discussion, the soils report would determine whether or not a lateral movement and settlement survey should be done to monitor any movement or settlement of surrounding buildings and adjacent streets. If a monitoring survey were recommended, the Department of Building Inspection would require that a Special Inspector (as defined in Article 3 of the Building Code) be retained by the Project Sponsor to perform this monitoring. Instruments shall be used to monitor potential settlement and subsidence. If, in the judgment of the Special Inspector, unacceptable movement were to occur during construction, groundwater recharge shall be used to halt this settlement. The Project Sponsor shall delay construction if necessary. Costs for the survey and any necessary repairs to service lines under the street shall be born by the Project Sponsor.

    If dewatering were necessary, the Project Sponsor and its contractor shall follow the geotechnical engineers' recommendations regarding dewatering to avoid settlement of adjacent streets, utilities, and buildings that could potentially occur as a result of dewatering.

11. The Project Sponsor and its contractor shall follow the geotechnical engineers' recommendations regarding installation of settlement markers around the perimeter of shoring to monitor any ground movements outside of the shoring itself. Shoring systems shall be modified as necessary in the event that substantial movements are detected.

Water Quality

12. If dewatering were necessary, the Project Sponsor shall follow the recommendations of the geotechnical engineer or environmental remediation consultant, in consultation with the Bureau of Environmental Regulation and Management of the Department of Public

Works, regarding treatment, if any, of pumped groundwater prior to discharge to the combined sewer system.

If dewatering were necessary, groundwater pumped from the site shall be retained in a holding tank to allow suspended particles to settle, if this were found to be necessary by the Bureau of Environmental Regulation and Management of the Department of Public Works to reduce the amount of sediment entering the combined sewer system.

13. The Project Sponsor shall require the general contractor to install and maintain sediment traps in local storm water intakes during construction to reduce the amount of sediment entering the combined sewer system, if this were found to be necessary by the Bureau of Environmental Regulation and Management of the Department of Public Works.

Hazards

14. In addition to local, state, and federal requirements for handling hazardous materials and soil and groundwater containing chemical contaminants, the Project Sponsor shall enter into a remedial action agreement with the Department of Public Health pursuant to Health and Safety Code Section 101480 et seq. At a minimum, the Project Sponsor shall undertake the following work and any additional requirements imposed by the Department of Public Health under the agreement if soil samples for waste characterization and disposal acceptance indicate that chemical concentrations in the soil are above any of the U.S. EPA Preliminary Remediation Goals for Residential Soil (PRGs).

- The Project Sponsor shall implement a project specific health and safety plan (HSP) to be used during construction activities. The HSP shall address the safety and health hazards of the project and procedures for the protection of construction workers whom may be in contact with potentially contaminated soil. The HSP shall also specify site control programs, engineering controls, safe work practices, air monitoring requirements, and a description of proper personal protective equipment. The plan shall also include measure to minimize public exposure to potentially contaminated soil (i.e., dust). Such measures would include dust control, appropriate site security, restriction of public access, and posting of warning signs.

  If contaminated soils are encountered during earth-moving activities, these soils shall be disposed of off-site in accordance with California hazardous waste disposal regulations (CCR Title 26) or shall be managed in place with approval of the California Department of Toxic Substances Control (DTSC), the Regional Water Quality Control Board (RWQCB), or the San Francisco Department of Public Health (DPH).

- Prior to any demolition or excavation at the project site the Project Sponsor shall conduct surveys to identify any potentially hazardous materials (e.g., asbestos, lead-based paints, PCBs, mercury) in existing buildings or building materials. At a

minimum, these surveys shall identify any hazardous materials that would require removal and disposal prior to demolition. These surveys shall be completed by a Registered Environmental Assessor or a similarly qualified individual.

- All reports and plans prepared in accordance with this mitigation measure shall be provided to the San Francisco Department of Public Health and any other agencies identified by the Department of Public Health. When all hazardous materials have been removed from existing buildings, and soil and groundwater analysis and other activities have been completed, as appropriate, the Project Sponsor shall submit to the San Francisco Planning Department and the San Francisco Department of Public Health (and any other agencies identified by the Department of Public Health) a report stating that the mitigation measure has been implemented. The report shall describe the steps taken to comply with the mitigation measure and include all verifying documentation. The report shall be certified by a Registered Environmental Assessor or a similarly qualified individual who states that all necessary mitigation measures have been implemented.

Archaeological Resources

15. Based on a reasonable presumption that archeological resources may be present within the project site, the following measures shall be undertaken to avoid any potentially significant adverse effect from the proposed project on buried or submerged historical resources. The Project Sponsor shall retain the services of a qualified archeological consultant having expertise in California prehistoric and urban historical archeology. The archeological consultant shall undertake an archeological testing program as specified herein. In addition, the consultant shall be available to conduct an archeological monitoring and/or data recovery program if required pursuant to this measure. The archeological consultant's work shall be conducted in accordance with this measure and with the requirements of the project archaeological research design and treatment plan (Archeo-Tec., *From Bull Fights to Baseball: Archaeological Research Design and Treatment Plan for the Valencia Gardens HOPE VI Project*, December 2002) at the direction of the Environmental Review Officer (ERO). In instances of any inconsistency between the requirements of the project archaeological research design and treatment plan and of this archaeological mitigation measure, the requirement of the latter shall prevail. All plans and reports prepared by the consultant as specified herein shall be submitted first and directly to the ERO for review and comment, and shall be considered draft reports subject to revision until final approval by the ERO. Archeological monitoring and/or data recovery programs required by this measure could suspend construction of the project for up to a maximum of four weeks. At the direction of the ERO, the suspension of construction can be extended beyond four weeks only if such a suspension is the only feasible means to reduce to a less than significant level potential effects on a significant archeological resource as defined in CEQA Guidelines Sect. 15064.5 (a)(c).

Archeological Testing Program. The archeological consultant shall prepare and submit to the ERO for review and approval an archeological testing plan (ATP). The archeological testing program shall be conducted in accordance with the approved ATP. The ATP shall identify the property types of the expected archeological resource(s) that potentially could be adversely affected by the proposed project, the testing method to be used, and the locations recommended for testing. The purpose of the archeological testing program will be to determine to the extent possible the presence or absence of archeological resources and to identify and to evaluate whether any archeological resource encountered on the site constitutes an historical resource under CEQA.

At the completion of the archeological testing program, the archeological consultant shall submit a written report of the findings to the ERO. If based on the archeological testing program the archeological consultant finds that significant archeological resources may be present, the ERO in consultation with the archeological consultant shall determine if additional measures are warranted. Additional measures that may be undertaken include additional archeological testing, archeological monitoring, and/or an archeological data recovery program. If the ERO determines that a significant archeological resource is present and that the resource could be adversely affected by the proposed project, at the discretion of the Project Sponsor either:

A. The proposed project shall be re-designed so as to avoid any adverse effect on the significant archeological resource; or

B. A data recovery program shall be implemented, unless the ERO determines that the archeological resource is of greater interpretive than research significance and that interpretive use of the resource is feasible.

Archeological Monitoring Program. If the ERO in consultation with the archeological consultant determines that an archeological monitoring program shall be implemented the archeological monitoring program shall minimally include the following provisions:

- The archeological consultant, Project Sponsor, and ERO shall meet and consult on the scope of the AMP reasonably prior to any project-related soils disturbing activities commencing. The ERO in consultation with the archeological consultant shall determine what project activities shall be archeologically monitored. In most cases, any soils- disturbing activities, such as demolition, foundation removal, excavation, grading, utilities installation, foundation work, driving of piles (foundation, shoring, etc.), site remediation, etc., shall require archeological monitoring because of the risk these activities pose to potential archaeological resources and to their depositional context;
- The archeological consultant shall advise all project contractors to be on the alert for evidence of the presence of the expected resource(s), of how to identify the evidence of the expected resource(s), and of the appropriate protocol in the event of apparent discovery of an archeological resource;
- The archeological monitor(s) shall be present on the project site according to a schedule agreed upon by the archeological consultant and the ERO until the ERO

has, in consultation with project archeological consultant, determined that project construction activities could have no effects on significant archeological deposits;

- The archeological monitor shall record and be authorized to collect soil samples and artifactual/ecofactual material as warranted for analysis;
- If an intact archeological deposit is encountered, all soils-disturbing activities in the vicinity of the deposit shall cease. The archeological monitor shall be empowered to temporarily redirect demolition/excavation/pile driving/construction activities and equipment until the deposit is evaluated. If in the case of pile driving activity (foundation, shoring, etc.), the archeological monitor has cause to believe that the pile driving activity may affect an archeological resource, the pile driving activity shall be terminated until an appropriate evaluation of the resource has been made in consultation with the ERO. The archeological consultant shall immediately notify the ERO of the encountered archeological deposit. The archeological consultant shall make a reasonable effort to assess the identity, integrity, and significance of the encountered archeological deposit, and present the findings of this assessment to the ERO.

Whether or not significant archeological resources are encountered, the archeological consultant shall submit a written report of the findings of the monitoring program to the ERO.

Archeological Data Recovery Program. The archeological data recovery program shall be conducted in accord with an archeological data recovery plan (ADRP). The archeological consultant, Project Sponsor, and ERO shall meet and consult on the scope of the ADRP prior to preparation of a draft ADRP. The archeological consultant shall submit a draft ADRP to the ERO. The ADRP shall identify how the proposed data recovery program will preserve the significant information the archeological resource is expected to contain. That is, the ADRP will identify what scientific/historical research questions are applicable to the expected resource, what data classes the resource is expected to possess, and how the expected data classes would address the applicable research questions. Data recovery, in general, should be limited to the portions of the historical property that could be adversely affected by the proposed project. Destructive data recovery methods shall not be applied to portions of the archeological resources if nondestructive methods are practical.

The scope of the ADRP shall include the following elements:

- Field Methods and Procedures. Descriptions of proposed field strategies, procedures, and operations.
- Cataloguing and Laboratory Analysis. Description of selected cataloguing system and artifact analysis procedures.
- Discard and Deaccession Policy. Description of and rationale for field and post-field discard and deaccession policies.

- Interpretive Program. Consideration of an on-site/off-site public interpretive program during the course of the archeological data recovery program.
- Security Measures. Recommended security measures to protect the archeological resource from vandalism, looting, and non-intentionally damaging activities.
- Final Report. Description of proposed report format and distribution of results.
- Curation. Description of the procedures and recommendations for the curation of any recovered data having potential research value, identification of appropriate curation facilities, and a summary of the accession policies of the curation facilities.

Human Remains and Associated or Unassociated Funerary Objects. The treatment of human remains and of associated or unassociated funerary objects discovered during any soils disturbing activity shall comply with applicable State and Federal laws. This shall include immediate notification of the Coroner of the City and County of San Francisco and in the event of the Coroner's determination that the human remains are Native American remains, notification of the California State Native American Heritage Commission (NAHC) who shall appoint a Most Likely Descendant (MLD) (Pub. Res. Code Sec. 5097.98). The archeological consultant, Project Sponsor, and MLD shall make all reasonable efforts to develop an agreement for the treatment of, with appropriate dignity, human remains and associated or unassociated funerary objects (CEQA Guidelines. Sec. 15064.5(d)). The agreement should take into consideration the appropriate excavation, removal, recordation, analysis, custodianship, curation, and final disposition of the human remains and associated or unassociated funerary objects. If the human remains are not Native American, the archaeological consultant will notify the Roman Catholic Archdiocese of San Francisco who will be afforded a reasonable time to make recommendations to the Project Sponsor and consultant for the treatment and disposition of the remains and associated burial items. Following consultation with the Roman Catholic Archdiocese, a procedure for the treatment of non-Native American human remains and associated burial items that may include the preservation, removal, analysis, curation, or reinternment of the human remains and/or associated burial items will be formulated and implemented.

Final Archeological Resources Report. The archeological consultant shall submit a Draft Final Archeological Resources Report (FARR) to the ERO that evaluates the historical significance of any discovered archeological resource and describes the archeological and historical research methods employed in the archeological testing/monitoring/data recovery program(s) undertaken. Information that may put at risk any archeological resource shall be provided in a separate removable insert within the final report.

Once approved by the ERO, copies of the FARR shall be distributed as follows: California Archaeological Site Survey Northwest Information Center (NWIC) shall receive one (1) copy and the ERO shall receive a copy of the transmittal of the FARR to the NWIC. The Major Environmental Analysis division of the Planning Department shall receive three copies of the FARR along with copies of any formal site recordation forms (CA DPR 523 series) and/or documentation for nomination to the National Register of Historic Places/California Register of Historical Resources. In instances of high public

interest in or the high interpretive value of the resource, the ERO may require a different final report content, format, and distribution than that presented above.

DESIGN

16. The final plans shall meet the standards of the Planning Code and be in general conformity with the plans approved by the Commission on June 26, 2003 as Exhibit B found in the Case docket.

17. The Project Sponsor shall continue to work with the Planning Department to further develop and refine the design. Final detailed building plans shall be reviewed and approved by the Planning Department before issuance of the first addendum to the site permit. Detailed building plans shall include a final site plan, unit plans, elevations, sections, landscape plan, choice of finish materials and colors, and details of construction.

18. Space for the collection and storage of trash/recycling shall be provided within screened areas on the property. Space for the collection and storage of recyclable materials that meets the size, location, accessibility and other standards specified by the San Francisco Recycling Program, shall be provided at the ground level of the Project.

19. Any proposed signage will be in general conformance with Article 6 of the Planning Code.

20. There shall be no general advertising signs on the property.

STREETS AND SIDEWALKS

21. All private streets shall be provided and maintained in a manner acceptable to the San Francisco Departments of Parking and Traffic, Public Works and the Fire Department.

22. The applicant shall request from the Department of Parking and Traffic, two passenger loading and drop-off (white) zones in front of the childcare center along Valencia Street. These white zones shall be effective only during the peak period for pick up and drop off, limited to a maximum of two hours in the morning and two hours in the afternoon, after which these zones would be available for regular parking.

23. The Project shall provide at least 87 parking spaces for the exclusive use by Project residents. The Project Sponsor shall initiate a permit parking system to restricting use of these off-street parking spaces to Project residents.

24. The resident project management shall monitor use of the Project streets to ensure that derelict or abandoned vehicles are promptly removed.

25. The Project Sponsor shall be responsible for maintaining all Project facilities, including all sidewalks both within and adjacent to the Project site, clean and free of litter and graffiti.

26. In fulfillment of the requirements of Section 143 of the Planning Code, one street tree shall be provided for each 20 feet of street frontage along public and private streets within and surrounding the Project site, except where driveways or utilities do not permit.

PERFORMANCE

27. The Project Sponsor shall appoint a community liaison officer to deal with issues of concern to the owners and occupants of nearby properties at all times during Project construction. Prior to the commencement of Project construction, the Project Sponsor shall give the Zoning Administrator and the owners of properties within 300 feet of the Project site boundaries written notice of the name, business address and telephone number of the community liaison.

28. Prior to the issuance of any new or amended building permit for the construction of the Project, the Zoning Administrator shall approve and order the recordation of a notice in the Official Records of the Recorder of the City and County of San Francisco, which notice shall state that construction of the Project has been authorized by and is subject to the conditions of this Motion. From time to time after the recordation of such notice, at the request of the Project Sponsor or the successor thereto, the Zoning Administrator shall affirm in writing the extent to which the conditions of this Motion have been satisfied.

29. This authorization is valid for a period of three years from the date of approval by the Planning Commission. In the case where delays have been caused by a government agency or legal action, time shall be tolled and the authorization extended for such period by the Zoning Administrator.

30. Failure to comply with these Conditions of Approval shall be grounds for revocation of the conditional use authorization. Should the Project result in complaints from neighbors that are not resolved by the Project Sponsor and are subsequently reported to the Zoning Administrator and found to be in violation of the Planning Code and/or the specific Conditions of Approval contained in this Exhibit A of this motion, the Zoning Administrator shall report such complaints to the Planning Commission which may thereafter hold a public hearing on the matter in accordance with the hearing notification and conduct procedures in Planning Code Section 174, 306.3 and 306.4 to consider revocation of this Conditional Use Authorization. The subject authorization shall otherwise be reviewed administratively by the Planning Department one year from the effective date of approval.

EXHIBIT D-3

RESOLUTION NO. 4940

DATE ADOPTED: 10/26/00

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A DEVELOPER PARTNER MOU AND PREDEVELOPMENT LOAN AGREEMENT WITH MISSION HOUSING DEVELOPMENT CORPORATION (MHDC) FOR THE REVITALIZATION OF THE VALENCIA GARDENS PUBLIC HOUSING SITE UNDER THE HOPE VI PROGRAM, REVIEW AND APPROVE A DETAILED PROJECT PROPOSAL AND NEGOTIATE A DEVELOPMENT AND DISPOSITION AGREEMENT FOR THE VALENCIA GARDENS REVITALIZATION

WHEREAS, the San Francisco Housing Authority Board of Commissioners adopted Determination and Order #133 on July 12, 1997 authorizing the Executive Director to negotiate with Mission Housing Development Corporation (MHDC), a non-profit affordable housing development, for the purpose of revitalizing the Valencia Gardens Development; and

WHEREAS, the San Francisco Housing Authority Board of Commissioners adopted Determination and Order #131 on July 12, 1997 authorizing the Executive Director to submit the Valencia Gardens HOPE VI Application for an Implementation Grant; and

WHEREAS, HUD awarded the SFHA with $23,230,641 in HOPE VI Grant funds for the revitalization of Valencia Gardens and a Valencia Gardens Ancillary Site; and

WHEREAS, the SFHA and MHDC have undergone extensive negotiations that have resulted in a mutually beneficial and agreeable outline of terms for the negotiation of the Development and Disposition Agreement for the Valencia Gardenia revitalization; and

WHEREAS, except for detailed obligations stated therein, the parties intend that this MOU and Predevelopment Loan agreement constitute the common understanding of the framework within which they will conduct further negotiations with the intention of resulting in the Development Disposition Agreement and related agreements for the Valencia Gardens HOPE VI revitalization program;

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO, THAT:

1. The Executive Director is authorized to enter into a Memorandum of Understanding with Mission Housing Development Corporation; and

2. The Executive Director is authorized to enter into and execute a Predevelopment Loan Agreement, Promissory Note, and Assignment

Agreement, and may execute such other documents and take such other actions as he deems necessary to effect the transactions described above or contemplated in this resolution, subject to required HUD approvals and the approval of SFHA legal counsel; and

3. The Executive Director is authorized to review and approve the selection of a Valencia Gardens HOPE VI Ancillary site location and program.

4. This Resolution shall take effect immediately.

APPROVED AS TO FORM AND LEGALITY:

CARL L. WILLIAMS, General Counsel

Date 10-20-00

REVIEWED BY:

RONNIE DAVIS, Executive Director

Date 10/20/2000

EXHIBIT D-4

8/8/03

VALENCIA GARDENS HOPE VI REVITALIZATION
RESIDENT HIRING PLAN

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I. OBJECTIVES

Mission Housing Development Corporation (MHDC) has established this Resident Hiring Plan for the Valencia Gardens HOPE VI Revitalization. The Resident Hiring Plan builds on the resolutions, plans, and programs prepared by the San Francisco Housing Authority (SFHA), the SFHA Commission, and the Valencia Gardens Resident Council. The primary objectives of the Resident Hiring Plan are as follows:

A. Create the maximum number of job opportunities for existing residents of Valencia Gardens and other SFHA public housing residents, as a result of the Valencia Gardens HOPE VI Revitalization;

B. Achieve or exceed the 25% resident hiring requirement established by SFHA Commission Resolution No. 4967 adopted February 22, 2001;

C. Provide opportunities for the timely training of Valencia Gardens residents and other SFHA public housing residents during the revitalization program;

D. Expand the opportunities for self-sufficiency for Valencia Gardens residents and other SFHA public housing residents, as a result of the economic benefits that derive from quality employment;

E. Expose the residents of Valencia Gardens and other SFHA public housing to the various career opportunities that exist within the revitalization under the HOPE VI program

F. Comply with all Affirmative Action Requirements of the SFHA, including Section 3 of the Housing and Urban Development Act of 1968 as stated in 24 CFR 135, and Executive Order 11246 as stated in 41 CFR Part 60.4.

II. RESIDENT HIRING OPPORTUNITIES

The opportunities for resident hiring include several categories throughout the Valencia Gardens Revitalization effort:

A. Hiring residents for positions within the legal, architectural, consulting and other professional firms ("Professional Firms") that will be providing services during the predevelopment, construction, and operating phases;

B. Hiring residents for positions with the general contractor and subcontractor ("Construction Firms") that work on the construction of the project;

C. Hiring residents for positions within MHDC and its affiliated corporations during the implementation of the revitalization program;

D. Hiring residents for positions within the SFHA during the implementation of the revitalization program;

E. Hiring residents for positions within the property management firm selected during operation of the property;

F. Hiring residents for all entry-level positions within any businesses, service providers, or non-profits that may lease space in the completed Valencia Gardens property, or by businesses supplying products, materials or services during the operations phase as required by the San Francisco First Source Hiring Program, SFHA Commission Resolution No. 4886 adopted April 27, 2000, and expanding opportunities for resident hiring within businesses in the surrounding neighborhood.

III. PROCEDURES FOR IMPLEMENTATION OF THE RESIDENT HIRING PLAN:

A. MHDC will hire a Resident Hiring Coordinator to oversee the implementation of the Resident Hiring Plan for MHDC.

B. MHDC will obtain final approval of the Resident Hiring Plan from the SFHA and Valencia Gardens Residents Council.

C. It is anticipated that SFHA will provide the following:

1. Names and contact information for all Valencia Gardens residents, all HOPE VI residents, and other public housing residents who have expressed interest in employment under the Resident Hiring Plan;

2. Names and contact information for the Valencia Gardens and other public housing Tenants' Associations, the various community centers within public housing, and the timing of newsletter publications;

3. Provide Resident Hiring Coordinator with any other information that can assist in implementing the Resident Hiring Plan, such as job skill surveys of public housing residents;

4. Make appropriate SFHA staff available to assist MHDC's Resident Hiring Coordinator with the implementation of the Resident Hiring Plan, to include approaches and resources used in other HOPE VI programs.

5. Conduct job readiness training, outreach, and referrals for public housing residents seeking employment through Valencia Gardens HOPE VI development.

D. MHDC will work with the SFHA, and the various Professional Firms and the general contractor selected, to forecast the specific amount of hours and jobs anticipated for the Valencia Gardens HOPE VI Revitalization Program for both professional service and construction contracts.

E. MHDC will send all Professional Firms and Construction Firms a copy of the Resident Hiring Plan.

F. MHDC will review with all Professional Firms and Construction Firms the Resident Hiring Plan, and attach a copy of the Resident Hiring Plan, and the accompanying exhibits to each contract.

G. Construction Firms with contracts over $25,000 and Professional Firms with non-construction contracts over $50,000 (*Resolution 4967*) will be required to develop and submit to MHDC job descriptions for potential positions, along with a detailed forecast of the hours required in response to the goal. This material will be required to be submitted within 10 calendar days of the contract date, to allow time to complete outreach and training before the positions are scheduled to start.

1. Each Firm will be required to identify a Resident Hiring Manager within their respective firm who will manage the screening, interview, and hiring process for their firm.

2. Job descriptions will identify the scope of the job position, the skills, education, experience required, the salary, the projected duration of the position, and training that will be provided (if available).

H. Job descriptions provided by the Firms will be reviewed by the Resident Hiring Coordinator and the SFHA to determine their completeness and to confirm the skills and qualifications required by each position.

I. Job descriptions will be distributed to the Valencia Gardens Resident Council, to the Valencia Gardens Community and Supportive Services Staff, and to all other public housing complexes (assistance in distribution should be provided by the SFHA).

J. Interested residents will be required to contact the Resident Hiring Manager within each respective firm who will be identified on each job description.

K. The Resident Hiring Manager of each firm will be required to notify the Resident Hiring Coordinator of each inquiry by a resident for a position, and to track all inquiries (existing form to be used, or new form to be developed by the Resident Hiring Coordinator).

L. The Resident Hiring Coordinator will track the process of screening, interviewing, and hiring of each firm.

M. The Resident Hiring Coordinator will determine if a job position requires training, and assist the resident selected by each firm in the start-up of the training program.

N. The Professional Firms and Construction Firms will prepare monthly reports for MHDC, SFHA, and the Valencia Gardens Resident Council identifying the number of job positions that are available, the number of resident inquires, the number of positions filled (including the salary level and projected duration of the position).

O. The Resident Hiring Coordinator will work with SFHA, Valencia Gardens Community and Supportive Services staff, and Valencia Gardens Resident Council to complete and expand the linkages for Valencia Gardens residents to job training, childcare, and other services - with the unions, community-based job training agencies including first source agencies, and other social and economic development agencies.

P. The Resident Hiring Coordinator will work with SFHA, Valencia Gardens Community and Supportive Services staff and the Valencia Gardens Resident Council to conduct outreach, recruitment and will conduct case management of Valencia Gardens public housing residents participating in training and jobs related to the Valencia Gardens HOPE VI revitalization.

IV. OUTREACH TO RESIDENTS

A. The Resident Hiring Coordinator will establish outreach programs to locate and encourage residents of Valencia Gardens to participate in the training and employment opportunities. These programs will be reviewed and approved by the SFHA and the Valencia Gardens Resident Council.

B. The outreach programs will include skills assessments, counseling, referral and case management follow-up to appropriate job readiness and employment training, jobs and other appropriate referrals.

V. PERFORMANCE EVALUATIONS

A. MHDC, through the Resident Hiring Coordinator, will establish programs with the employers to provide performance evaluations of resident employees so that the progress and training needs of the individual resident employees can be understood and acted upon. These programs will be reviewed and approved by the SFHA, the Valencia Gardens Community and Supportive Services staff, and the Valencia Gardens Resident Council.

B. The Resident Hiring Coordinator will work with the employers to establish clear policies concerning lay-offs for resident employees, provide information to the employees concerning the policies, and provide a method for correction of deficiencies which could lead to lay-offs.

VI. JOB RETENTION

A. MHDC, through the Resident Hiring Coordinator will establish programs with the employers and unions to provide for continuing employment of residents in apprenticeships and training positions after the construction of Valencia Gardens is complete. These programs will be reviewed and approved by the SFHA and the Valencia Gardens Resident Council.

VII. APPRENTICESHIP TRAINING AND UNION LIAISON

A. MHDC, through the Resident Hiring Coordinator and SFHA, will establish working relationships with the labor organizations responsible for California State Department of Apprenticeship Standards Certified apprenticeship programs.

B. The Resident Hiring Coordinator will assist resident employees in pursuing apprenticeship training opportunities to promote progress to journeyman status in the construction trades.

C. The Resident Hiring Coordinator will assist residents in obtaining union membership, including pre-apprenticeship preparation programs, assistance in test-taking, and other established programs designed to facilitate entry into union apprenticeship programs.

VIII. COMPLIANCE

A. Record keeping: MHDC, through the Resident Hiring Coordinator and the Construction Firm's certified payroll reports will maintain records of resident hiring to demonstrate compliance with this Resident Hiring Plan and the incorporated requirements of the SFHA Commission resolutions.

1. The records will include the outreach, training and employment efforts of each firm.

2. MHDC will require all Construction Firms with construction contracts greater than $25,000 and all Professional Firms with non-construction contracts greater than $50,000 to maintain certified payroll reports that will include a weekly or monthly employment report listing the total workforce by firm, allocating the hours of each employee to resident, Section 3, or other category, and summarizing the percentage of resident employment by firm and for the overall Valencia Gardens HOPE VI Revitalization.

3. The report shall be timely, and in a form agreed by the SFHA.

B. Review: The good faith efforts under this Resident Hiring Plan will be evaluated by the SFHA Contracting Officer using Appendix to 24 CFR Part 135, Examples of Efforts to Offer Training and Employment Opportunities to Section 3 Residents.

C. Non-compliance can result in penalties of $45.00 per hour for shortfalls in resident hours worked, breach of contract, or termination, as described in Commission Resolution 4967.

D. Access to Records: Upon request MHDC shall provide the SFHA a timely copy of each weekly or monthly employment report, and shall provide access to and the right to examine any of MHDC's directly pertinent books, documents, papers, or other records involving the workforce and resident hiring for the purpose of determining compliance with the Resident Hiring Plan. MHDC agrees to include this right of access in its contracts with Professional Firms, Construction Firms, property managers, and other businesses retained by MHDC for the Valencia Gardens HOPE VI Revitalization.

IX. EXHIBITS:

1. SFHA Commission Resolution No. 4967 adopted February 22, 2001

2. SFHA Commission Resolution No. 4886 adopted April 27, 2000

3. Federal Requirement for Training and Employment of Low-Income Residents and for the Utilization of Resident Businesses (with attached Section 3 Forms)

4. Appendix to 24 CFR Part 135, Examples of Efforts to Offer Training and Employment Opportunities to Section 3 Residents

END OF DOCUMENT

E

SAN FRANCISCO HOUSING AUTHORITY
440 Turk Street • San Francisco CA • 94112 • (415) 554-1200

TO: SAN FRANCISCO HOUSING AUTHORITY COMMISSIONERS

Sululagi Palega, Sr., President
Julie Lee, Vice President
George R. Brown, Commissioner
Betty J. Smith, Commissioner
Andrew J. Clark, Commissioner
Neola Gans, Commissioner
Rev. George Woodruff, Commissioner

FROM: GREGG FORTNER, SECRETARY / EXECUTIVE DIRECTOR

DATE: August 8, 2003

SUBJECT: RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO: (1) NEGOTIATE A GROUND LEASE AND CAPITALIZED GROUND LEASE PAYMENT WITH A PARTNERSHIP COMPRISED OF UNION PROPERTY CAPITAL, INC. AND CARING AND RESTORATION HOMES INCORPORATED FOR DEVELOPMENT OF AFFORDABLE HOMEOWNERSHIP HOUSING ON THE VACANT SURPLUS PORTION OF THE ALICE GRIFFITH PROPERTY; AND (2) SUBMIT A DISPOSITION APPLICATION TO HUD FOR THE LONG TERM GROUND LEASE

OBJECTIVE

Adpotion of this Resolution will enable the Executive Director to negotiate a ground lease with a partnership being formed by Union Property Capital, Inc. and Caring and Restoration Homes Incorporated, a nonprofit 501 (c) (3) to build approximately 75 moderately priced homes on the Alice Griffith vacant surplus property along the eastern boundary of the site and negotiate a capitalized ground lease payment. The resolution also authorizes the Executive Director to submit a Disposition Application and other documents required for HUD approval of the long-term ground lease.

OVERVIEW

The action will begin the process of negotiating and ultimately entering into a long-term ground lease for development of approximately 75 units of affordable homeownership housing complemented with: counseling for credit repair, money management and home purchase; employment training; and job referrals for households with incomes between 50 percent and 100 percent of the median income. Preference for the services and homeownership opportunities would be for Alice Griffith, other public housing and Section 8 voucher holders. An additional objective is to provide the SFHA with compensation for the property through a capitalized ground lease payment. The process of negotiating a ground lease may be terminated by the SFHA if the proposal is determined to be infeasible, the proposal does not meet the conditions outlined below or ground lease terms and conditions have not been established within one year of Commission authorization to negotiate. Additional Commission authorization will be required prior to execution of a ground lease for this property.

PROCUREMENT

The procurement process for this action meets the procurement standards of 24 CFR 85.36 "Procurement", HUD Handbook 7460.8 REV 1, "Procurement Handbook for Public Housing Agencies and Indian Housing Authorities" and the San Francisco Housing Authority Procurement Policy Manual. Caring and Restoration Homes Incorporated, submitted an unsolicited proposal to the SFHA to develop affordable housing on the vacant surplus portion of the Alice Griffith property with approximately 75 new homes. The "unique nature" of this proposal that was independently originated by Caring and Restoration Homes Incorporated, in partnership with Union Pacific Capital, Inc. is the basis for this authorization. Caring and Restoration Homes Incorporated is a duly and properly organized nonprofit under the Nonprofit Public Benefit Corporation Law of California and for charitable purposes within the meaning of Section 501 (c) (3) of the Internal Revenue Code for provision of community service activities.

PRESENT SITUATION

Dr. Arelious Walker, a Director of Caring and Restoration Homes Incorporated presented a proposal to the SFHA to build 75 new homes on the vacant surplus Alice Griffith property. The proposed surplus Alice Griffith property is vacant and currently used very few days of the year for parking during football games at Candlestick Park. Increasing homeownership opportunities adjacent to Alice Griffith will encourage people to make long term investments in the community as well as to participate in neighborhood schools, businesses and organizations.

Dr. Walker is proposing a development partnership comprised of Caring and Restoration Homes Incorporated and an affiliate of Union Property Capital, Inc. The True Hope Church of God and Christ has strong ties to Alice Griffith and the broader Bay View Hunters Point community providing community facilities, a jobs program, educational services and rehabilitation services for drug addicts. Union Property Capital, Inc. is a well respected San Francisco homeownership housing developer, established fourteen years ago, has developed over 600 homeownership units at market and affordable prices.

On December 20, 2001, the San Francisco Planning Commission approved development of 22 affordable housing units on the True Hope Church of God and Christ's vacant parcel adjacent to the SFHA's Alice Griffith development. These units will be constructed and sold to households making no more than 100 percent of the median income, a segment of the population that has been seriously underserved with homeownership opportunities in San Francisco. Caring and Restoration Homes Incorporated is proposing expansion of their initial project to the adjacent surplus portion of the Alice Griffith public housing site.

The Partnership will be required to fulfill the following conditions in order for the SFHA to execute a ground lease:

1. **Evidence of Financial Commitments**

- The Partnership as a project sponsor is able to secure the need financing for this project.

2. Determination of Compensation to the Housing Authority

- The Partnership will deliver to the SFHA a Financial Plan with a proposed pro forma that must be evaluated and approved by the SFHA - the plan will include a reasonable estimate of the sources and uses of funds based on comparable of market sales prices in the immediate vicinity, construction costs and proposed development schedule.

3. Evidence of Approved Plans and Right to Develop

- The Partnership will deliver proof that a nonprofit developer entity (single asset corporation) has been legally set up in the State of California and meets all applicable regulations as a 501c(3).

- The Partnership will obtain all necessary approvals from all appropriate State and City agencies including, but not limited to, the Planning Commission, Department of Public Works Streets and Mapping and the Building Department. This includes the required subdivision of the lot in order to allow residential development on a portion of the site currently used for parking.

4. **Evidence of Resident Involvement**

- Deliverable #1: Resolution of Support or Petition of Support from a well represented mix of Alice Griffith residents and a majority of Tenants Association officers supporting the Caring and Restoration Homes Incorporated proposal to develop 75 homeownership units and provide related services.

- Deliverable #2: A Service Plan will be developed by Caring and Restoration Homes Incorporated, the SFHA and Alice Griffith residents listing proposed service needs of Alice Griffith residents and creating an advisory group comprised of the Partnership, Alice Griffith residents and SFHA staff that will meet regularly to put together an implementation plan.

This plan will attempt to respond to the concerns and needs of the community and involve other organizations in the final implementation of the plan.

- Deliverable #3: A Master Plan generated by the Partnership in conjunction with the advisory group. The proposed Master Plan will become the preliminary plan for the design of the shared common areas, landscape and open space improvements, parking space replacement plan, and phased plan for improvements to and possibly reconstruction of Alice Griffith.

ANTICIPATED OUTCOMES

The Executive Director will negotiate a ground lease for development of affordable housing on the vacant surplus portion of the SFHA's Alice Griffith property and apply to HUD for approval of the disposition.

WHO BENEFITS

Negotiation of a ground lease and ultimate development of the surplus Alice Griffith property will accomplish many things including:

- Utilization of a parcel of surplus SFHA land adjacent to the Alice Griffith public housing.
- Leverage the SFHA land with private equity, private mortgage financing and expertise to create additional housing.
- Expand the supply of assisted housing and homeownership.
- Promote income mixing by assuring access for lower income families to higher income (100 percent of median income) housing.
- Provide early credit repair and loan qualification programs thereby ensuring equal access to homeownership housing.
- Promote income mixing by subsidizing access to higher priced homew with the Homeownership Section 8 Voucher Program for lower income households.
- Provide compensation to the SFHA for the surplus land.
- Provide a well thought out inter-agency, inter-organizational comprehensive Service Plan for the residents of Alice Griffith.
- Place well designed and attractive housing on land that is now bare, thereby cleaning up a blighted area that is immediately adjacent to our Alice Griffith community.
- Provide employment and training opportunities for public housing residents in the construction of these homes and the associated infrastructure.

BUDGET CONSIDERATIONS

The Partnership will be required to pay earnest money during the negotiations to cover the costs for the SFHA's financial and legal advisory services, a title report, an appraisal and a market study. Requirements for compensation to the SFHA for the property in the form of a capitalized ground lease payment or ongoing ground lease payments will be established as part of the negotiations for the option for a ground lease.

RESIDENT EMPLOYMENT

The Partnership is committed to prividing at a minimum, 25 percent resident hiring for any housing developed on the surplus Alice Griffith property. Caring and Restoration Homes

Incorporated will work with Young Community Developers, a neighborhood resident hiring organization, the San Francisco Carpenter's Union, other building trade unions and the SFHA to assess the skills of community residents to hire qualified workers and refer them to job training programs and openings in order to exceed the SFHA's resident hiring requirements.

MBE/WBE STATUS

Any contracts entered into for the development of housing on the vacant surplus portion of the Alice Griffith property will be required to meet the SFHA's MBE/WBE Affirmative Action guidelines.

RECOMMENDATION

Staff recommends approval of this Resolution.

(Prepared by Barbara Smith and Juan Monsanto Housing Development and Modernization Department)

RESOLUTION NO: 5108
DATE ADOPTED: 8/14/03

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO: (1) NEGOTIATE A GROUND LEASE AND CAPITALIZED GROUND LEASE PAYMENT WITH A PARTNERSHIP COMPRISED OF UNION PROPERTY CAPITAL, INC. AND CARING AND RESTORATION HOMES INCORPORATED FOR DEVELOPMENT OF AFFORDABLE HOMEOWNERSHIP HOUSING ON THE VACANT SURPLUS PORTION OF THE ALICE GRIFFITH PROPERTY; AND (2) SUBMIT A DISPOSITION APPLICATION TO HUD FOR THE LONG-TERM GROUND LEASE ;AND (3) THE BOARD OF COMMISSIONERS SHALL RECEIVE AN UPDATED PROGRESS REPORT EVERY THREE MONTHS [AS AMENDED]

WHEREAS, Caring and Restoration Homes Incorporated, is a nonprofit 501 (c) (3) organization serving the Bayview Hunters Point community and Alice Griffith public housing Development;

WHEREAS, Caring and Restoration Homes Incorporated has strong ties with Alice Griffith residents and provides educational and recreational activities for the community and SFHA public housing residents;

WHEREAS, Caring and Restoration Homes Incorporated has submitted an unsolicited proposal to the SFHA to develop a vacant underutilized surplus portion of the Alice Griffith property with approximately 75 new moderately priced homes for Alice Griffith, other public housing, Section 8 and other San Francisco residents with incomes below 100 percent of the median income;

WHEREAS, Caring and Restoration Homes Incorporated is proposing to develop the housing in partnership with Union Property Capital, Inc., a well respected San Francisco homeownership developer established 14 years ago that has developed over 600 homeownership units at market and affordable prices;

WHEREAS, the proposed use of the vacant land, currently used for parking during football games at Candlestick Park, is compatible and consistent with the existing neighborhood and zoning regulations of the Bayview Hunters Point area;

WHEREAS, the Partnership will leverage the vacant Alice Griffith land with private financing and expertise to create affordable homeownership housing and provide a capitalized ground lease payment to the SFHA;

WHEREAS, the Partnership will provide early credit repair and loan qualification programs thereby ensuring access to assisted housing by public housing and Section 8 residents regardless of previous experience;

WHEREAS, Caring and Restoration Homes Incorporated will work with Young Community Developers, trade unions and the SFHA to assess the skills of public housing and low income community residents to hire qualified workers and refer them to job

training programs and openings for compliance with the SFHA's resident hiring requirements;

WHEREAS, Caring and Restoration Homes Incorporated along with the SFHA, has met with residents of Alice Griffith to present their proposal, obtain input on the proposed revitalization and assess other needs of Alice Griffith residents to begin developing a master plan for Alice Griffith and the surrounding community;

WHEREAS, a mixed-income setting, can be created with more shared resources, services, and events coordinated with other surrounding facilities and institutions to create a stronger sense of community and end isolation for Alice Griffith residents;

WHEREAS, in order for the Partnership to apply for funding and negotiate an option for a ground lease, a Disposition Application must be submitted to HUD for approval;

WHEREAS, negotiations for a ground lease will include the following requirements: financial commitments, determination of compensation to the SFHA, evidence of resident and community involvement, and development of a service plan for the benefit of Alice Griffith public housing residents;

WHEREAS, if the ground lease terms and conditions have not been established within one year of Commission authorization to negotiate, the process may be terminated by the SFHA; and

NOW THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE HOUSING AUTHORITY OF THE CITY OF SAN FRANCISCO THAT:

1. The Executive Director is authorized to negotiate a ground lease, including a capitalized ground lease payment, with the Partnership to be formed by Caring and Restoration Homes Incorporated and Union Property Capital, Inc. to develop affordable homeownership housing units to be sold with preference to Alice Griffith, public housing and Section 8 residents.

2. The Executive Director is authorized to submit a Disposition Application to HUD for approval of a long-term ground lease for the surplus vacant portion of the Alice Griffith public housing site.

3. This Resolution shall take effect immediately.

APPROVED AS TO FORM
AND LEGALITY:

Donna Martin, Managing Attorney

August 8, 2003

REVIEWED BY:

Gregg Fortner, Executive Director

August 8, 2003

F

SAN FRANCISCO HOUSING AUTHORITY
440 Turk Street • San Francisco CA • 94112 • (415) 554-1200

DATE: August 1, 2003

TO: SAN FRANCISCO HOUSING AUTHORITY COMMISSIONERS

Sululagi Palega, Sr., President
Julie Lee, Vice President
George R. Brown, Commissioner
Betty J. Smith, Commissioner
Andrew J. Clark, Commissioner
Neola Gans, Commissioner
George Woodruff, Commissioner

FROM: Gregg Fortner, Secretary/Executive Director

SUBJECT: **RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH C + J PAINTING COMPANY TO CONDUCT LEAD HAZARD REMEDIATION AT CAL 1-2, POTRERO TERRACE AND CAL 1-8, WESTSIDE COURTS, IN AN AMOUNT NOT TO EXCEED $432,000.00.**

OVERVIEW

This Resolution will authorize the Executive Director to enter into a contract for Lead Hazard Remediation at CAL 1-2, Potrero Terrace and CAL 1-8, Westside Courts Family Developments.

HUD requires the Authority to implement interim lead based paint (LBP) hazard controls to stabilize deteriorated LBP wherever found in family developments to protect children. The planned work includes removing deteriorated LBP from exterior window and door components, cleaning lead contaminated dust from windowsills and stabilizing the surfaces with new paint at all 605 housing units and all management offices, storage rooms and common areas at Potrero Terrace and Westside Courts. The work also includes LBP stabilization, lead dust clean up, and painting of interior components identified as being in "poor" condition in twenty-five (25) family units at the Potrero Terrace Development. This contract is the mechanism by which the Authority engages the services of a lead certified contractor to complete the lead hazard remediation work.

PROCUREMENT

The procurement process for the action covered by this Resolution meets the procurement standards of 24 CFR 85.36 "Procurement", HUD Handbook 7460.8 REV 1, "Procurement Handbook for Public Housing Agencies and Indian Housing Authorities", the San Francisco Housing Authority Procurement Policy Manual and the State of California and local laws.

Past Bidders List, Contractors Blue Book & Yellow Pages: The Authority e-mailed, faxed or mailed its Invitation for Bid advertisement to seventy six (76) individual contractors (2 of which are MBE/WBE) from the Authority's Past Bidders List, the Contractors Blue Book and Telephone Directory Yellow Pages.

HRC: The Authority e-mailed, faxed or mailed its Invitation for Bid advertisement to five (5) MBE/WBE contractor listed by the San Francisco Human Rights Commission. Note: Only five contractors were listed at the time.

Labor Unions: The Authority mailed its Invitation for Bids Documents, Plans & Specifications to Stan Warren at the San Francisco Buildings Trade Council.

Newspapers: The Authority publicly advertised its Invitation for Bid advertisement in the following newspapers:

- Daily Pacific Builder, (trade publication)
- San Francisco Bay View, (African American community)
- Sing Tao Daily, (Asian American Community)

Additional Newspapers: The Authority e-mailed its Invitation for Bid advertisement to the San Francisco Board of Supervisors office who placed the advertisement in the following community newspapers:

- El Latino (Hispanic American community),
- El Reportero (Hispanic American community),
- Asian Week (Chinese American community),
- Chinese Times (Chinese American community),
- San Francisco Bay Times (Lesbian/Gay/Bi-sexual/Transgender community),
- San Francisco Spectrum (Lesbian/Gay/Bi-sexual/Transgender community).

Public Agency Websites: The Authority e-mailed its Invitation for Bid advertisement to the following agencies who placed the advertisement in their website bulletin boards:

- City and County of San Francisco (City Purchasing Department),
- California State Contracts Register (Office of Small Business Certification and Resources),
- Small Business Administration's PRO-Net (Office of Government Contracting & Minority Enterprise Development).
- U.S. Department of Commerce's BIDNET (Minority Business Development Agency)

Builders Exchanges: The Authority sent its Invitation for Bid Documents, Plans & Specifications to the following Builders Exchanges, where the documents are available to Contractors for review and bid preparation:

- Dodge Scan/Daily Pacific Builder,
- San Francisco Builders Exchange,

- Peninsula Builders Exchange,
- Builders Exchange of Alameda County,
- Santa Clara Builders Exchange,
- Contra Costa Builders Exchange,
- BV2HP Builders Exchange,
- MECA Builders Exchange (member base composed of small DBE, M/WBE firms),
- Marin Builders Exchange,
- Building Exchange of Stockton,
- Construction Data Plan Room,
- Solano-Napa Builders Exchange,
- Construction Market Data
- Sierra Contractors Exchange

The Housing Development & Modernization Department (HD&M) developed the Invitation for Bid Documents, Plans & Specifications based on master procurement documents furnished by the Authority's Procurement & Contracts Department and technical specifications furnished by the Authority's lead hazard consultant. The documents were reviewed and approved by the Procurement & Contracts Department (P&C) prior to the start of the bid process.

Eight (8) potential bidders (2 of which are MBE/WBE) requested the Invitation for Bid Documents, Plans & Specifications that were issued by HD&M. The on-site bid walk was conducted by HD&M on July 10, 2003. Fourteen contractors attended along with the Consultant, Glen Cass, from SCA Environmental and Authority staff Alicia Sisca, Senior Project Manager, Paul Wilhite, Inspector and Rufus Davis, Management Analyst.

BIDDER SELECTION PROCESS

The closing date for the solicitation was July 25, 2003 and the Authority received bids from two (2) responsive and responsible contractors. The bid documents were publicly opened and read aloud. The submittal documents were reviewed by HD&M and forwarded to P&C for review and approval, for submission to TARC and for approval to prepare this Resolution. The contractors' bids are as follows:

BID PROPOSALS:

Bidder	Bid Proposal	25% Resident Hiring	Prime Contractor MBE/WBE	Sub Contractors	Sub Contractor MBE/WBE % Of Total Job	Total MBE/WBE
C + J Painting Company	$432,000	Yes	No	Yes	20%	20%
ARCO Painting	$468,000	Yes	No	None	0%	0%

Per HUD-5369 Instructions to Bidders, the contract award is based on the lowest, responsive and responsible bidder. Based on the above, the lowest, responsive and responsible bidder is C + J Painting Company. They are pursuing 4 to 5 positions for resident hiring and sub-contracting with a MBE Firm to performed 20% of the contracted work. Upon request, C + J Painting Company reviewed their bid and informed Procurement that they stood by their bid.

According to the reference check on past projects performed by C + J Painting Company, the firm is a responsible contractor with a good record, excellent references were provided from the Contra Costa Housing Authority, the City of Napa and the Washington Unified School District where the Contractor performed lead abatement and stabilization for several School Facilities. All references stated that C + J Company provides excellent quality of work and always performed ahead of schedule. They have performed similar contracts for other public agencies and have a good history of minimizing contractor initiated change orders. A debarment check was made and shows that C + J Painting Company is not debarred from Federal Procurement and Non-Procurement work.

OBJECTIVES

The objective of the Resolution is to authorize the Executive Director to enter into a contract to conduct lead hazard remediation at CAL 1-2, Potrero Terrace and CAL 1-8, Westside Courts to protect the health and safety of resident children. The scope of work can be summarized as follows:

1. Prepare schedule and conduct tenant notification (48 hours & 24 hours)
2. Pre-clean and prepare each window frame/sill outside and/or inside each apartment unit for surface preparation, and painting.
3. Remove deteriorated LBP from windowsills & frames and clean lead-containing dust, debris from windowsill, window frames, and windows.
4. Prepare surface for painting and spot prime bare wood or substrate.
5. Conduct final cleaning and obtain visual clearance from Owner's Consultant
6. Prime coat entire exterior window frame & sill with water-based primer.
7. Paint exterior windowsills and jambs with semi-gloss enamel.
8. Remove all plastic sheeting and drop cloths and notify Owner's Consultant when work is complete for clearance testing.

PRESENT SITUATION

Pursuant to HUD's "Lead Hazard Reduction" rules in 29 CFR 35.1120(c) and 35.1355, PHA's are required to routinely conduct lead hazard risk assessments (LHRA) for Family Developments where lead based paint components are present. HUD specifies a five-year cycle between assessments.

The Authority initiated the second round of risk assessments last year and is continuing with the assessments this year. Harding ESE, a certified lead consultant, conducted the most recent assessment for Westside Courts during July 2002 and the final report issued in September 2002. They also conducted the most recent assessment for Potrero Terrace during October 2002 and the final report was issued in March 2003.

The LHRA for Westside Courts identified deteriorated lead paint on the exterior windows and window frames in almost all of the apartments surveyed. The interiors were deemed to be "lead

safe". The LHRA for Potrero Terrace identified deteriorated lead paint on the exterior windows, window frames, exterior doors and doorframes in almost all of the apartments surveyed. The work also includes LBP stabilization, lead dust clean up, and painting of interior components identified as being in "poor" condition in twenty-five (25) family units.

The HUD Guidelines for LHRA require that lead hazard remediation be completed for all the units in the development. This solicitation will result in a contract with a certified lead contractor to perform paint stabilization on all the exterior windows on the Westside development's 136 units and the exterior windows and doors on the Potrero Terrace's 469 units and the work also includes LBP stabilization, lead dust clean up, and painting of interior components identified as being in "poor" condition in twenty-five (25) family units at the Potrero Terrace Development.

ANTICIPATED OUTCOMES

Elimination of lead hazards in the 605 residential units and management offices, storage rooms and common areas at Potrero Terrace and Westside Courts in accordance with HUD regulations.

WHO BENEFITS

Public housing residents, especially children will benefit from improved health, safety, and in general living conditions. The project will also provide employment for public housing residents under the resident hiring requirements. By hiring residents, C + J Painting Company is helping to create a pool of qualified residents for future work on similar Authority construction projects.

BUDGET CONSIDERATION

Funds are available through the Year 2001 and 2002 Capital Fund Program.

RESIDENT HIRING

C+J Painting Company requirement is to provide 25% resident hiring on this job. C+J Painting estimates that the project will take up to 4,000 man-hours to complete. Resident employees will perform 25% or a minimum of 1,000 hours of the work, with a goal of 30% or 1,200 man-hours of the work. The Contractor will employ six workers from their current crews and four or more residents.

MBE/WBE PARTICIPATION

C + J Painting Company subcontracted with a MBE/WBE contractor and 20% MBE/WBE participation is expected through this Contract.

RECOMMENDATION

C + J Painting Company has submitted the lowest, responsive and responsible bid. They are committed to providing 25% resident hiring at a minimum. Funding is available in the HUD 2001 and 2002 Capital Fund Programs. Because remediation of lead hazards is needed to protect resident children, the staff urges adoption of this Resolution authorizing the Executive Director to enter into a contract with C + J Painting Company for the remediation of lead hazards at CAL 1-2, Potrero Terrace and CAL 1-8, Westside Courts in an amount not to exceed $432,000.00.

(Prepared by: Alicia Sisca, Robert Dahlstrom and Barbara Smith)

RESOLUTION NO. 5109
ADOPTED 8/14/03

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH C + J PAINTING COMPANY TO CONDUCT LEAD HAZARD REMEDIATION AT CAL 1-2, POTRERO TERRACE AND CAL 1-8, WESTSIDE COURTS, IN AN AMOUNT NOT TO EXCEED $432,000.00

WHEREAS, The San Francisco Housing Authority publicly advertised Solicitation No. 03-620-IFB-036 for Lead Hazard Remediation at CAL 1-2, Potrero Terrace and Cal 1-8, Westside Courts, and

WHEREAS, C + J Painting Company submitted the lowest responsive and responsible bid of $432,000.00 to provide for abatement of lead hazards at CAL 1-2, Potrero Terrace and Cal 1- 8, Westside Courts; and

WHEREAS, these services are necessary to protect the health and welfare of resident children; and

WHEREAS, funding is available through the HUD 2001 and 2002 Capital Fund Program; and

WHEREAS, the procurement process for those actions covered by this Resolution meet the procurement standards of 24 CFR 85.36 "Procurement", HUD Handbook 7460.8 REV 1, "Procurement Handbook for Public Housing Agencies and Indian Housing Authorities", the San Francisco Housing Authority Procurement Policy Manual and State of California and local laws; and

WHEREAS, all additional relevant documents submitted by the low bidder have been reviewed and found to be in order; and

WHERAS, C + J Painting Company will meet the Resident Hiring requirements.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO THAT:

1. The Executive Director is authorized to execute a contract with C + J Painting Company, to provide lead hazard remediation at CAL 1-2, Potrero Terrace and Cal 1-8, Westside Courts for an amount Not-To-Exceed $432,000.00.

2. This Resolution shall take effect immediately.

APPROVED AT TO FORM AND LEGALITY:

Donna Martin
DONNA MARTIN, Managing Attorney

Date: 8-06-03

REVIEWED BY:

GREGG FORTNER, Executive Director

Date: 8/8/03

SAN FRANCISCO HOUSING AUTHORITY

440 TURK STREET • SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-1200

DATE: AUGUST 14, 2003

TO: SAN FRANCISCO HOUSING AUTHORITY COMMISSION

Sululagi Palega, St., President
Julie Lee, Vice President
George R. Brown, Commissioner
Betty J. Smith, Commissioner
Andrew J. Clark, Commissioner
Neola Gans, Commissioner
Rev. George Woodruff, Commissioner

FROM: Gregg Fortner, Secretary/Executive Director

SUBJECT: **RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO EXTEND THE AGREEMENT TO CONTINUE BLANKET PURCHASE ORDERS FOR FLEET VEHICLE REPAIRS WITH VARIOUS LOCAL SMALL BUSINESS AUTOMOTIVE REPAIR SHOPS IN AN AMOUNT NOT TO EXCEED $50,000 THROUGH THE END OF FISCAL YEAR 2003 AND ENTER INTO AN AGREEMENT FOR CONTINUED SERVICES FOR AN AMOUNT NOT TO EXCEED $200,000 FOR FISCAL YEAR 2003-2004 SUBJECT TO THE AVAILABILITY OF FUNDS**

Overview/Background

The attached resolution is submitted for your review and approval, to authorize the continued funding for necessary repairs of Authority fleet vehicles. In September 2002, the Board authorized the Executive Director to provide funding for fleet vehicle repairs, maintenance, body repair, tire services and towing with small automotive repair shops in an amount not to exceed $170,000 through fiscal year 2003. To date, total expenditures for automotive repairs have exceeded that amount due in part to extraordinary repair costs on older vehicles. An extension of the funding approved in September 2002 for

vehicle repairs in the amount of $50,000 is needed to continue payments for automotive repairs completed through June , July, August and September of fiscal year 2003.

The Authority procures vehicle repair and services from a number of small local automotive repair shops throughout the City and County of San Francisco, including some that are minority business enterprises. The automotive vendors selected for work on Authority vehicles were selected through a process of comparative cost and hourly rates for various automotive repairs. Services currently being performed by automotive vendors, including hourly rates, priority for Authority vehicles and negotiated pricing will continue under current agreement.

During the survey of local vendors, careful consideration was given to the geographical location of various repair shops. Particular attention was given to repair shops within close proximity to authority offices and developments. Many of the authority vehicles, particularly maintenance vehicles, pick-up trucks and dump trucks operate in the Southeast sector of the City (Hunters Point, Potrero Hill, Sunnydale) and dependable vendors in this particular area have contributed to reduced travel time when vehicles are in need of repair.

Present Situation:

Currently the San Francisco Housing Authority has approximately 174 vehicles; pick-up trucks, passenger vehicles, dump trucks, vans, 3/4-and 1/2-ton pickup trucks, forklifts, trailers and specialized vehicles which are used daily for maintenance operations and routine Authority business.

The Authority tracks and monitors all vehicle repairs through a vehicle maintenance program that tracks dates, costs and types of repairs generated on all vehicles. The vehicle maintenance program includes a preventative maintenance program that allows for annual inspections of older vehicles to reduce repair costs, forecast potential problems and provide greater safety for drivers.

In the Authority's effort to keep vehicles running and in good working order to meet the management and maintenance needs of residents, it was necessary to keep as many vehicles as possible running and available for daily operations. Several older model vehicles, many of which contributed to high maintenance costs due to repeated repairs, have recently been removed from the Authority vehicle inventory and scheduled for disposal by way of public auction.

The Authority is currently developing a Memorandum of Understanding (MOU) with the City and County of San Francisco, City Shops Division, to arrange for many of the Authority fleet vehicles to be repaired and serviced by the City Shops Division. This agreement will allow for Authority vehicles to receive the same rate, automotive services, parts, and maintenance currently afforded all city vehicles being serviced by City Shops.

Additionally, the Authority has budgeted in the 2004 Capital Fund Program for the purchase of several new replacement vehicles.

Projected Cost of Resolution:

The amount is not to exceed $50,000 for fiscal year 2003.
The amount is not to exceed $200,000 for fiscal year 2004.

Funding Source:

Funding is available through the Section 8 and the Low Income Budget for fiscal years 2003 and2004.

Anticipated Outcome:

The anticipated outcome will occur in the following areas:

1. Continued safe operation of Authority vehicles.
2. Cost savings (i.e., anticipated agreement with City Shops, disposal of old, high mileage and high maintenance vehicles)
3. Continued and expedient maintenance response throughout the city.

Benefit:

The Authority and its residents will benefit through the continued use of selected vendors that have performed fleet repair services in an acceptable manner and provided an acceptable turnaround of Authority vehicles during repair without causing a significant interruption in services to public housing residents.

Policy Implementation

No policy implementation.

Recommendation:

I recommend the approval of the attached resolution.

RESOLUTION NO. 5110
ADOPTED 8/14/03

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO EXTEND THE AGREEMENT TO CONTINUE BLANKET PURCHASE ORDERS FOR FLEET VEHICLE REPAIRS WITH VARIOUS LOCAL SMALL BUSINESS AUTOMOTIVE REPAIR SHOPS IN AN AMOUNT NOT TO EXCEED $50,000 THROUGH THE END OF FISCAL YEAR 2003 AND ENTER INTO AN AGREEMENT FOR CONTINUED SERVICES FOR AN AMOUNT NOT TO EXCEED $200,000 FOR FISCAL YEAR 2004 SUBJECT TO THE AVAILABILITY OF FUNDS

WHEREAS, the Authority procures vehicle repairs and maintenance services from a number of small, local automotive repair shops throughout the City and County of San Francisco, including some that are minority business enterprises; and

WHEREAS, the repair shops that will be utilized by the Authority include the following:

- A.A. quality Auto Repair (MBE)
- Excelsior Auto Care
- J& S Auto Repair Shop (MBE)
- A& C Auto Clinic
- Gage Automotive
- Rick's Tire Service
- Golden Gate Tow
- Ted & Al's Towing

WHEREAS, the Authority solicited ten (10) automotive repair shops including tire repair and towing companies for prices, hourly rates and quotes on the types of repairs required for most Authority vehicles and their close proximity to Authority maintenance yards and developments; and

WHEREAS, the prices and hourly rates of the automotive vendors shown above quoted competitive rates; and

WHEREAS, the Authority has in place a fleet maintenance program and each of the above vendors will provide fleet services in an acceptable manner; and

WHEREAS, in accordance with Procurement Regulations under 24 CFR, Part 85.36, the award of contracts should be made on an as-needed basis; and

WHEREAS, these services were solicited in compliance with small purchasing procedures under procurement regulations at 24 CFR, Part 85.36; and

WHEREAS, funding for the aforementioned services is available as part of the Authority's Section 8 and the Low Income Operating Budget for fiscal year 2003 and 2004.

NOW, THEREFORE BE IT RESOLVED BY THE COMMISSION OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO THAT:

1. The Executive Director is authorized to provide funding for fleet services described above for various vendors listed above in an amount not to exceed $50,000 for remainder of fiscal year 2003 and a not to exceed amount of $200,000 through fiscal year 2004.

2. This resolution is effective immediately.

APPROVED AS TO FORM AND LEGALITY:

Donna Martin

Donna Martin, General Counsel

8-7-03

Date

REVIEWED BY:

Gregg Fortner

Gregg Fortner, Executive Director

8/8/03

Date

SAN FRANCISCO HOUSING AUTHORITY

440 TURK STREET • SAN FRANCISCO, CALIFORNIA 94102 • (415) 554-1200

DATE: **August 14, 2003**

TO: **SAN FRANCISCO HOUSING AUTHORITY COMMISSIONERS**

Sululagi Palega, Sr., President
Julie Lee, Vice President
George R. Brown, Commissioner
Betty J. Smith, Commissioner
Andrew J. Clark, Commissioner
Neola Gans, Commissioner
George Woodruff, Commissioner

FROM: Gregg Fortner, Secretary/Executive Director

SUBJECT: RESOLUTION APPROVING AND AUTHORIZING AN AMENDMENT TO ARTICLE III, SECTION II, OF THE BYLAWS OF THE COMMISSION OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO OMITTING THE REGULAR MEETING SCHEDULED ON THE FOURTH THURSDAY OF EACH MONTH

OVERVIEW

Currently, Article III, Section II, of the Bylaws of the Housing Authority of the City and County of San Francisco provide that the regular meeting of the Authority will be held at 4:00 p.m. on the second and fourth Thursday of each month unless that day falls on a legal holiday.

The Executive Director received a Commissioner inquiry into limiting the meetings to one meeting per month. As a result of the inquiry, the Executive Director requested a resolution be placed on the August 14, 2003, agenda for consideration by the Commission Board. The accompanying resolution is in response to the Commisssioner's request. The resolution is to become effective on October 1, 2003.

OBJECTIVES & ANTICIPATED OUTCOME

It is anticipated that all Commission resolutions and other Commission business could be addressed in one regular monthly Commission meeting, thus saving the time, expense, and inconvenience of a second monthly meeting. Past expereince has demonstrated that two meetings a month may be unnecessary and are especially difficult to schedule during the months of November and December. This resloution is a temporary measure to test the feasibility of scheduling only one regular Commission meeting each month. If the change proves too burdensome or adversely affects agency business, the second regular meeting will be restored.

If additional meetings are needed in a particular month, special meetings may be called by posting a public notice in accordance with Cal. Gov't Code § 5495 at least twenty-four hours in advance in a location freely accessible to the public. The notice must contain a statement of the business to be transacted and advise the public of the opportunity to address the Commission on the designated agenda items.

WHO BENEFITS

Commissioners benefit through the time saved in reducing the number of meetings they must attend each month, which would allow more time to review materials and to prepare for the remaining regular monthly meeting. Housing Authority staff would benefit by freeing up more time for staff to handle additional duties that have been necessitated by staff reductions.

BUDGET CONSIDERATIONS

It is anticipated that limiting the Commission meetings to one regular meeting per month will assist the Housing Authority to conserve resources. During a time when the Housing Authority is experiencing substantial cuts in its operating budgets, the savings of time and resources needed to prepare for and conduct the additional Commission meeting will result in time and cost efficiencies that can be allocated elsewhere throughout the agency. Savings will be realized, but not limited to, the following areas: (1) reduction of staff time and resources to prepare and review Commission materials; (2) reduction of staff time attributed to attending the additional monthly meeting; (3) elimination of costs associated with mailing and/or delivering Commission materials; (4) elimination of costs associated with the notice, marketing and advertisement of the additional Commission meeting.

RECOMMENDATION

It is recommended that this resolution be adopted to amend Article III, Section II of the Bylaws to omit the regular meeting of the Commission scheduled for the fourth Thursday of each month.

Attached for your information is a copy of the current Bylaws.

Attachment

RESOLUTION NO. _____
DATE ADOPTED: _____

RESOLUTION APPROVING AND AUTHORIZING AN AMENDMENT TO ARTICLE III, SECTION II, OF THE BYLAWS OF THE COMMISSION OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO OMITTING THE REGULAR MEETING SCHEDULED ON THE FOURTH THURSDAY OF EACH MONTH

WHEREAS, Article III, Section II, of the Bylaws of the Housing Authority of the City and County of San Francisco provide that the regular meeting of the Authority will be held at 4:00 p.m. on the second and fourth Thursday of each month unless that day falls on a legal holiday; and

WHEREAS, the San Francisco Housing Authority Commission wishes to change the number of regular meetings scheduled each month from two meetings to one meeting; and

WHEREAS, the San Francisco Housing Authority Commission wishes to omit the regular meeting of the Commission scheduled for the fourth Thursday of each month; and

WHEREAS, Article III, Section II, provides that amendments to the Bylaws be approved by a vote of at least four Commissioners at a regular or special meeting:

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO THAT:

1. Article III, Section II, of the Bylaws of the Housing Authority of the City and County of San Francisco shall be amended to read as follows:

   Regular meetings of the Authority shall be held on the second Thursday of each month at 4:00 p.m. unless that date shall be a legal holiday, in which event the meeting shall be held on the next succeeding business day.

2. This resolution shall become effective on October 1, 2003.

APPROVED AS TO FORM AND LEGALITY:

Donna Martin, General Counsel

Date: August 8, 2003

REVIEWED BY:

Gregg Fortner, Executive Director

Date: August 8, 2003

SAN FRANCISCO HOUSING AUTHORITY
440 Turk Street • San Francisco CA • 94102 • (415) 554-1200

NOTICE

CANCELLATION OF AUGUST 28, 2003 COMMISSION MEETING

THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO, SCHEDULED FOR AUGUST 28, 2003, HAS BEEN CANCELLED.

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GREGG FORTNER, SECRETARY/ EXECUTIVE DIRECTOR

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